

HALIFAX COUNTY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2015**



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**HALIFAX COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



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INTRODUCTORY SECTION



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December 8, 2015

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, 2015. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes and Associates, CPAs, PA. Their unmodified opinion is included in the basic financial statements. Halifax County however, is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe that the data, as presented, is accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

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

Description of the County

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

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

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

The most recent census reports Halifax County’s population at 54,242. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,495.

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

The Halifax County Board of Commissioners is committed to improving the quality-of-life for its citizens, which requires a long-term commitment to economic development. Halifax County’s efforts to support new job creation and investment is based on business recruitment and expansion, agriculture and tourism development. Halifax County continues to build on its reputation as a prime location for business and industry development. After several years of flat economic growth, the local economic is showing measurable signs of improvement. In November of 2014, there was over \$185 million in new commercial and industrial development under construction.

Agriculture continues to be a major foundation of the local economy with major crops including cotton, soybeans, peanuts, and tobacco. Halifax County ranks #1 in cotton and #3 in peanut production in North Carolina. Halifax County's location along the Interstate 95 corridor is a major driver for commerce and tourism. Visitor spending in Halifax County increased by 4.7% over the previous year to over \$87 million. Retail sales exceeded \$436 million in 2014, increasing by 5.8% over the previous year.

Recent Initiatives

As a testament to the importance of business retention, KapStone Paper is investing significantly in its log yard and distribution facilities. Both Airboss Rubber Compounding and Weldon Steel have made new equipment investments and created new jobs. Meherrin River Forest Products, which purchased the former Coastal Lumber operation less than two years ago, is now in full operation.

Klausner Lumber, an Austrian softwood lumber manufacturer, is nearing completion of 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 2016.

Geenex, a Charlotte-based solar power developer, and partner, completed construction of a \$55 million 20 MW solar power generation facility at the former Halifax County Airport site west of Roanoke Rapids. The project was sold to Duke Energy Renewables in early 2015. In further support of renewable energy investment in Halifax and surrounding counties is the construction of the Center for Energy Education (C4EE) by Geenex LLC. The project is well underway with completion slated for early 2016. Given North Carolina's ranking as #4 in the US for installed solar capacity, C4EE will be a hub for renewable energy research and education in North Carolina.

Halifax County is working collaboratively with Halifax County Business Horizons and the City of Roanoke Rapids in redevelopment of the former WestPoint Stevens manufacturing site and buildings through the NC Brownfields Program. A former textile manufacturing facility, this heavy industrial site offers tremendous potential for redevelopment as a prime manufacturing location.

The Halifax-Northampton Regional Airport, a partnership between Halifax County, Northampton County, and the City of Roanoke Rapids, continues to increase in use and revenues and stays busy year-round.

Most of the major commercial development is near Roanoke Rapids, the economic hub of Halifax County. Recent investments include a Sheetz, Sleepy's Mattress, US Cellular, and Domino's Pizza. Additional commercial investment is focused along Roanoke Avenue in Roanoke Rapids in collaboration with the Roanoke Rapids Main Street Program.

The Phase XI water project and associated change orders designed to add service locations and improve water quality was 95% complete by June 30, 2015. A change order to add service locations is currently under construction. 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 work was completed by June 30, 2015 and a change order for additional rehab to laterals is currently under way. 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.

In order to comply with revenue bond requirements to increase revenue and no longer rely on fund balance appropriations for O&M, a new rate structure was approved by the County Commissioners in January 2015.

The White Goods Building and improvements to the White Goods Handling Area were 80% complete by June 30th, 2015. This is a \$111,777 project funded by revenue the County receives from the State for White Goods recycling.

Engineering work was begun in December 2014 for a project to cover 7.5 acres of side slope on the coal ash monofill. This is a \$195,252 project funded by the Solid Waste Fund Balance. Construction will begin first quarter of FY 2016.

The County provided the three public school systems with \$5,533,846 in current expense and \$2,542,309 in capital outlay funds. Halifax Community College received \$1,069,572 in operating funds and \$69,027 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.

Halifax County Commissioners accepted a comprehensive Parks and Recreation Master Plan in January 2015 and as part of that plan has created a Parks and Recreation Advisory Board. The first members will be appointed to this new Board in September 2015.

The County secured a long-term lease with the State of North Carolina to renovate, promote and operate the old Halifax Amphitheater, near the state Historic Halifax site. A committee is working to develop plans for the future of the amphitheater.

The County has been focusing on information technology efforts in the last year. Email service for the Department of Social Services came under the technology umbrella of the County in July 2015, formerly falling under the State of North Carolina. Office 365 email has been implemented, and the balance of the County email addresses will be converted to Office 365 in fiscal year 2015-2016. Other general, but necessary, upgrades have been in progress to make the County's network more secure.

The County has started the process of building a new elementary school. Manning Elementary School, part of the Roanoke Rapids Graded School District, will be demolished and rebuilt on the same property in the City of Roanoke Rapids. Contracts are in place with architects and construction is scheduled to begin in early 2016.

Future Initiatives

The Halifax County Economic Development Commission (HCEDC), the County's industrial recruitment arm and liaison with local industry, is the lead economic development agency in Halifax County and promotes and markets the area to new and existing industrial opportunities. The EDC also partners with the Economic Development Partnership of North Carolina, NC Department of Commerce, local utilities and other industrial allies to retain existing industries, promote expansion opportunities and to locate new industrial development in the County.

Additionally, HCEDC is actively involved in a four-county regional economic development initiative that includes Halifax, Northampton, Bertie, and Hertford Counties. This regional approach to economic development helps each county share resources to attract higher quality industrial and business investments.

A continued focus on infrastructure and site development at the county-owned Halifax Corporate Park will support investments in manufacturing and distribution that will create higher-wage jobs and diversification of the County's tax base.

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.

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, 2015, 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, 2014. This was the sixteenth 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.

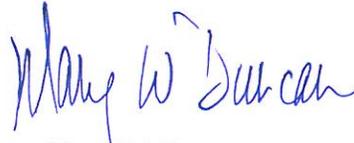
Acknowledgments

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,

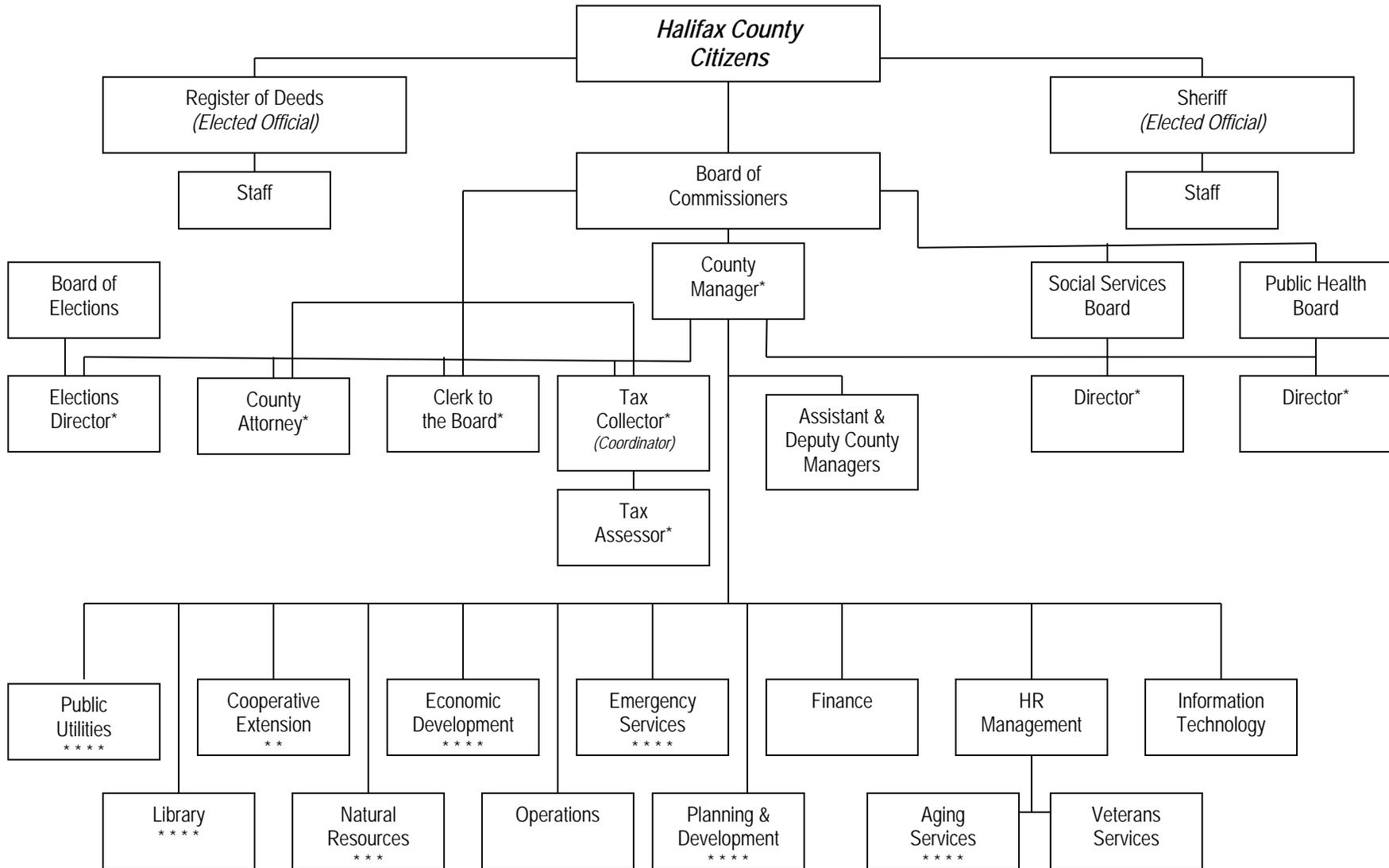


Tony N. Brown
County Manager



Mary W. Duncan
Finance Director

Organizational Chart ~ Halifax County North Carolina



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**Reports to a Governing Board
 **Director is a State Employee (NCSU)
 ***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, 2014

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2015

Board of Commissioners

Vernon J. Bryant, Chairman
J. Rives Manning, Jr., Vice-Chairman
Rachel K. Hux
Carolyn C. Johnson
Marcelle O. Smith
T. Patrick W. Qualls

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, 2015, 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 Tourism Development Authority and the Halifax County ABC Board 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, 2015, 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 Schedule of Funding Progress and Schedule of Employer Contributions, the Other Post-Employment Benefits' Schedule of Funding Progress and Schedule of Employer Contributions, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, be presented to supplement the basic financial statements. Such information, although not a 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, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office and Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act 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, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards 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, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards 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 December 8, 2015, 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
December 8, 2015



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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, 2015. 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 and deferred outflows of Halifax County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$47,356,603. The County's net position of governmental activities exhibited an increase of \$2,340,773 with the business-type activities showing a decrease in the amount of \$227,607 resulting in the government's total net position increasing by \$2,113,166. The governmental activities increase can be attributed to a decrease in transfers to other funds. One factor in the decrease in business-type net position is from an increase in expenses in the Water Fund.

As of the close of the current fiscal year, Halifax County's governmental funds reported combined ending fund balances of \$27,966,519 after a net increase of \$433,431. Approximately 55.7% of this total amount, or \$15,570,337, is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$8,329,303, or 14.6%, of net general fund expenditures and transfers at the close of the current fiscal year.

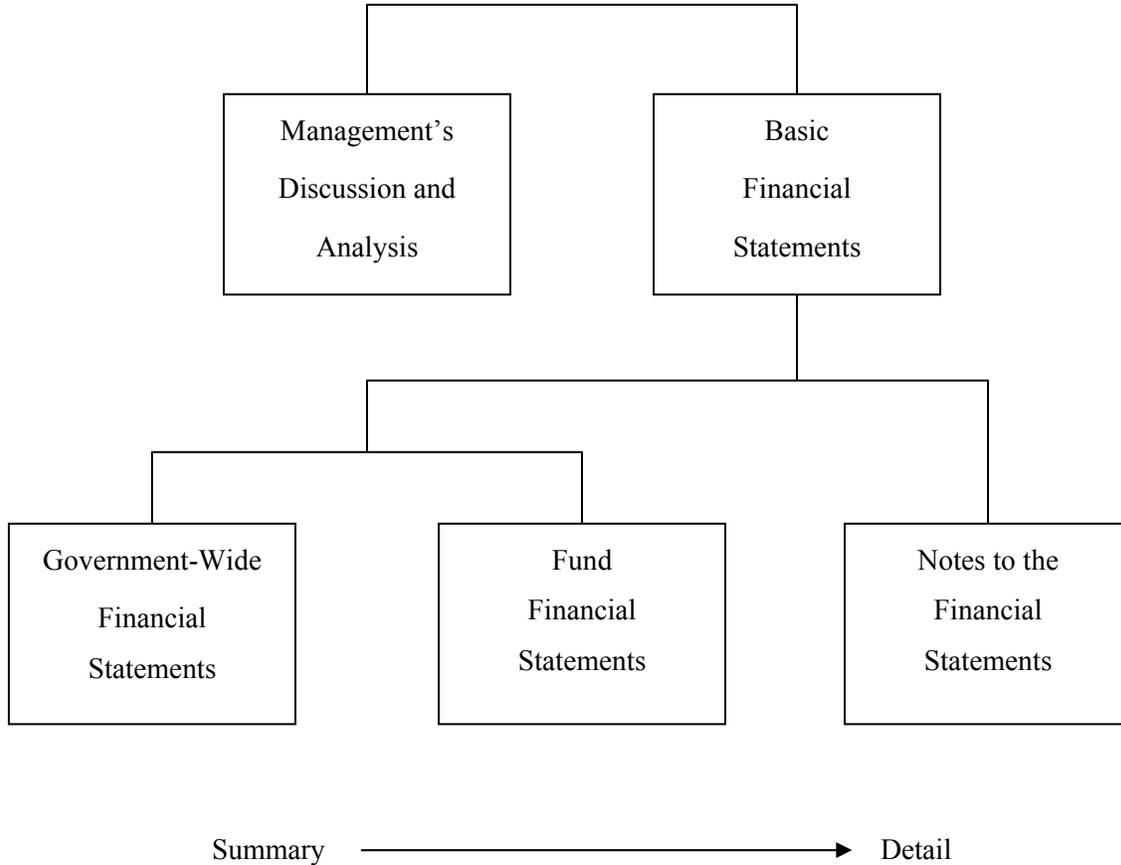
The County holds an A+ bond rating from Standard and Poor's effective as of June 30, 2014.

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 trust and 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; Register of Deeds Trust Fund Fee – monies remitted monthly to the State from marriage licenses; and Pension Trust Fund – a Special Separation Fund that accounts for the Law Enforcement Officers' Separation, which is a single-employer, public employee retirement system.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Other Information

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, 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 77 through 82 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets:						
Current and other assets	\$ 33,140,361	\$ 30,891,453	\$ 8,601,949	\$ 8,695,938	\$ 41,742,310	\$ 39,587,391
Restricted assets	1,735,599	1,833,864	4,433,064	4,360,583	6,168,663	6,194,447
Capital assets	<u>23,030,503</u>	<u>23,795,154</u>	<u>37,576,934</u>	<u>37,919,726</u>	<u>60,607,437</u>	<u>61,714,880</u>
Total assets	<u>57,906,463</u>	<u>56,520,471</u>	<u>50,611,947</u>	<u>50,976,247</u>	<u>108,518,410</u>	<u>107,496,718</u>
Deferred outflows of resources:						
	<u>1,386,350</u>	<u>-</u>	<u>57,582</u>	<u>-</u>	<u>1,443,932</u>	<u>-</u>
Liabilities:						
Current liabilities	4,475,013	4,974,507	2,000,193	1,870,495	6,475,206	6,845,002
Non-current liabilities	<u>19,580,178</u>	<u>20,763,924</u>	<u>31,595,040</u>	<u>31,888,751</u>	<u>51,175,218</u>	<u>52,652,675</u>
Total liabilities	<u>24,055,191</u>	<u>25,738,431</u>	<u>33,595,233</u>	<u>33,759,246</u>	<u>57,650,424</u>	<u>59,497,677</u>
Deferred inflows of resources:						
	<u>4,760,125</u>	<u>87,771</u>	<u>195,190</u>	<u>-</u>	<u>4,955,315</u>	<u>87,771</u>
Net Position:						
Net investment in capital assets	18,447,019	18,794,168	12,077,355	11,986,758	30,524,374	30,780,926
Restricted	15,462,261	13,604,008	-	-	15,462,261	13,604,008
Unrestricted	<u>(3,431,783)</u>	<u>(1,703,907)</u>	<u>4,801,751</u>	<u>5,230,243</u>	<u>1,369,968</u>	<u>3,526,336</u>
Total net position	<u>\$ 30,477,497</u>	<u>\$ 30,694,269</u>	<u>\$ 16,879,106</u>	<u>\$ 17,217,001</u>	<u>\$ 47,356,603</u>	<u>\$ 47,911,270</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 and deferred outflows exceeded liabilities and deferred inflows by \$47,356,603 at fiscal year-end. Net position decreased slightly in the current fiscal year due to the change in pension related deferrals. \$30,524,374 (64.5%) reflects the County's investment in capital assets, such as land, buildings, equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on these capital assets will require future government resources.

Thirty-three 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, 2.9% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 28.4% 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,726,805	\$ 5,846,184	\$ 8,961,636	\$ 8,802,939	\$14,688,441	\$14,649,123
Operating grants and contributions	17,490,294	16,704,854	-	-	17,490,294	16,704,854
Capital grants and contributions	1,340,173	1,349,798	553,201	642,755	1,893,374	1,992,553
General revenue:						
Property taxes	29,566,702	29,938,070	-	-	29,566,702	29,938,070
Local option sales tax	8,161,488	7,211,131	-	-	8,161,488	7,211,131
Other taxes	99,262	118,989	67,973	74,366	167,235	193,355
Interest	37,586	67,661	3,357	5,556	40,943	73,217
Miscellaneous	441,373	1,567,406	-	-	441,373	1,567,406
Total revenues	<u>62,863,683</u>	<u>62,804,093</u>	<u>9,586,167</u>	<u>9,525,616</u>	<u>72,449,850</u>	<u>72,329,709</u>
Expenses:						
General government	11,265,630	11,521,305	-	-	11,265,630	11,521,305
Public safety	14,197,958	13,761,938	-	-	14,197,958	13,761,938
Economic and physical development	2,936,494	7,185,719	-	-	2,936,494	7,185,719
Human services	19,339,216	20,392,320	-	-	19,339,216	20,392,320
Cultural and Recreational	540,741	651,086	-	-	540,741	651,086
Education	11,437,522	11,257,890	-	-	11,437,522	11,257,890
Interest and fees	805,349	1,042,433	-	-	805,349	1,042,433
Water and sewer	-	-	6,011,145	5,759,890	6,011,145	5,759,890
Landfill/solid waste	-	-	3,802,629	3,982,453	3,802,629	3,982,453
Total expenses	<u>60,522,910</u>	<u>65,812,691</u>	<u>9,813,774</u>	<u>9,742,343</u>	<u>70,336,684</u>	<u>75,555,034</u>
Change in net position	<u>2,340,773</u>	<u>(3,008,598)</u>	<u>(227,607)</u>	<u>(216,727)</u>	<u>2,113,166</u>	<u>(3,225,325)</u>
Net Position:						
Beginning of year - July 1	30,694,269	33,916,198	17,217,001	18,200,243	47,911,270	52,116,441
Restatement	<u>(2,557,545)</u>	<u>(213,331)</u>	<u>(110,288)</u>	<u>(766,515)</u>	<u>(2,667,833)</u>	<u>(979,846)</u>
Beginning of year - restated	<u>28,136,724</u>	<u>33,702,867</u>	<u>17,106,713</u>	<u>17,433,728</u>	<u>45,243,437</u>	<u>51,136,595</u>
End of year - June 30	<u>\$30,477,497</u>	<u>\$30,694,269</u>	<u>\$16,879,106</u>	<u>\$17,217,001</u>	<u>\$47,356,603</u>	<u>\$47,911,270</u>

Governmental Activities

Of total net position, governmental activities accounted for \$30,477,497, with operating grants and contributions funding \$16,879,106 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2015, interest revenues remained low with interest rates around .012% to .25%. Alternative methods were researched to offset the poor interest rates and it was discovered the utilization of interest earnings credit as an off-set against 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 \$227,607. Solid waste saw an improvement in the net position as compared to 2014 which can be tied 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 \$553,201

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

The General Fund is the chief operating fund of Halifax County. At the end of the current fiscal year, fund balance available in the General Fund was \$20,131,807, while total fund balance reached \$26,713,384. The County currently has an available fund balance of 35.4% of General Fund expenditures, while total fund balance represents 47.0% of that same amount.

At June 30, 2015, the governmental funds of Halifax County reported a combined fund balance of \$27,966,519, a 1.6% increase over last year. This can be primarily attributed to the completion of Economic Development site preparation costs which included, but were not limited to, land clearing, access road construction and additional lime to assist in compacting due to the 2014 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, 2015, the net change in fund balances per the governmental funds totaled an increase of \$433,431, while the governmental activities column of the government-wide financial statements indicated an increase of \$2,340,773 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 \$15,462,261 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 \$1,253,135 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital project funds reported expenditures of \$1,907,965 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 \$3,636,610 and the Water Fund totaled \$13,242,496 for a cumulative total of \$16,879,106. 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, 2015, total net position amounted to \$874,250, which is a decrease of \$30,328 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 \$257,080.

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 \$60,607,437 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, and solid waste convenience sites. The decrease in the County's capital assets for the current fiscal year was approximately 1.8%.

Halifax County's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and improvements	\$ 3,700,690	\$ 3,700,690	\$ 463,850	\$ 463,850	\$ 4,164,540	\$ 4,164,540
Buildings	31,334,229	31,327,279	51,587,886	51,587,886	82,922,115	82,915,165
Equipment	4,988,606	5,080,329	3,636,621	3,647,956	8,625,227	8,728,285
Vehicles	4,122,248	4,071,607	1,059,903	1,035,852	5,182,151	5,107,459
Construction in progress	<u>2,496,985</u>	<u>3,006,261</u>	<u>4,989,371</u>	<u>3,757,062</u>	<u>7,486,356</u>	<u>6,763,323</u>
Subtotal	46,642,758	47,186,166	61,737,631	60,492,606	108,380,389	107,678,772
Less: Accumulated depreciation	<u>(23,612,255)</u>	<u>(23,391,012)</u>	<u>(24,160,697)</u>	<u>(22,572,880)</u>	<u>(47,772,952)</u>	<u>(45,963,892)</u>
Total	<u>\$ 23,030,503</u>	<u>\$ 23,795,154</u>	<u>\$ 37,576,934</u>	<u>\$ 37,919,726</u>	<u>\$ 60,607,437</u>	<u>\$ 61,714,880</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 beginning on page 45 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 \$19,755,928, 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 \$249,016,000. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which restricts the amount of net bonded debt a county may have outstanding to 8% of the appraised value subject to taxation. The ratio of debt service expenditures to total general fund expenditures is 4.5%.

Halifax County's Outstanding Debt General Obligation and Revenue Bonds

	<u>Business-Type Activities</u>	
	<u>2015</u>	<u>2014</u>
General Obligation Bonds	<u>\$ 19,755,928</u>	<u>\$ 20,575,596</u>

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$364.21 as of June 30, 2015, while the County's gross debt per capita is \$800.40.

Additional information of the County's long-term debt can be found beginning on page 65 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 2016 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 20,781 and has an unemployment rate of 9.3% as of June 30, 2015. This compares unfavorably to the State's unemployment rate of 5.8% and the United States' rate of 5.3% 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 54,242 has decreased by .73% from 2014 to 2015.

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2015-2016

Governmental Activities

The County's property revaluation was effective January 1, 2015. The County had held the property tax rate steady at \$.68 per \$100 since the previous revaluation in 2007. In order to be revenue neutral in response to the lower property values, the tax rate was increased to \$.73 per \$10. Our current property valuation is \$3.5 billion dollars. The estimated collection rate for Fiscal Year 2015 is 97.88%.

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Sales tax revenues are increasing moderately with the improvement of the economy. Expenditure modifications implemented in prior fiscal years were carried forward into fiscal year 2016.

Economic development will continue to be emphasized during the 2015-2016 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 2016 budgeted expenditures for the Solid Waste Fund are \$4,415,464 which is a .2% decrease as compared to fiscal year 2015. Public Utilities – Water Division's FY 16 budgeted expenditures are \$5,714,459 which is an increase of 2.5% from the previous fiscal year.

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, 2015

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Halifax	Halifax
	Activities	Activities		Tourism	County
			Development	ABC Board	
			Authority		
Assets:					
Cash and investments	\$ 24,149,666	\$ 7,161,684	\$ 31,311,350	\$ 438,982	\$ 833,535
Ad valorem taxes receivable, net	1,698,322	-	1,698,322	-	-
Accounts receivable, net	4,967,116	1,292,723	6,259,839	37,546	-
Due from other governments	200,865	28,456	229,321	-	-
Due from primary government	-	-	-	72,854	-
Inventories	76,826	39,122	115,948	-	529,088
Prepaid items	31,250	-	31,250	2,388	154
Restricted assets:					
Cash and investments	1,735,599	452,509	2,188,108	-	-
Long-term receivable	-	3,980,555	3,980,555	-	-
Net pension asset	2,016,316	79,964	2,096,280	14,980	13,327
Capital assets:					
Non-depreciable assets	6,197,675	5,426,098	11,623,773	-	141,924
Other capital assets, net of depreciation	16,832,828	32,150,836	48,983,664	-	793,234
Total assets	<u>57,906,463</u>	<u>50,611,947</u>	<u>108,518,410</u>	<u>566,750</u>	<u>2,311,262</u>
Deferred Outflows of Resources	<u>1,386,350</u>	<u>57,582</u>	<u>1,443,932</u>	<u>12,442</u>	<u>19,852</u>
Liabilities:					
Accounts payable and accrued liabilities	2,176,606	266,917	2,443,523	33,310	259,789
Liabilities payable from restricted assets	-	260,780	260,780	-	-
Accrued interest payable	172,504	127,720	300,224	-	-
Due to component unit	72,854	-	72,854	-	-
Non-current liabilities:					
Due within one year	2,053,049	1,344,776	3,397,825	5,116	-
Due in more than one year	<u>19,580,178</u>	<u>31,595,040</u>	<u>51,175,218</u>	<u>23,070</u>	<u>51,164</u>
Total liabilities	<u>24,055,191</u>	<u>33,595,233</u>	<u>57,650,424</u>	<u>61,496</u>	<u>310,953</u>
Deferred Inflows of Resources:					
Prepaid taxes	71,093	-	71,093	-	-
Pension related deferrals	<u>4,689,032</u>	<u>195,190</u>	<u>4,884,222</u>	<u>49,994</u>	<u>32,484</u>
Total deferred inflows of resources	<u>4,760,125</u>	<u>195,190</u>	<u>4,955,315</u>	<u>49,994</u>	<u>32,484</u>
Net Position:					
Net investment in capital assets	18,447,019	12,077,355	30,524,374	-	935,158
Restricted for:					
Stabilization by State statute	6,717,293	-	6,717,293	110,400	-
Public safety	459,830	-	459,830	-	-
Economic development	10,029	-	10,029	-	-
Human services	7,144,253	-	7,144,253	-	-
Education	1,130,856	-	1,130,856	-	-
Tourism	-	-	-	357,302	-
Other	-	-	-	-	142,941
Unrestricted	<u>(3,431,783)</u>	<u>4,801,751</u>	<u>1,369,968</u>	<u>-</u>	<u>909,578</u>
Total net position	<u>\$ 30,477,497</u>	<u>\$ 16,879,106</u>	<u>\$ 47,356,603</u>	<u>\$ 467,702</u>	<u>\$ 1,987,677</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, 2015

	<u>Expenses</u>	<u>Program Revenues</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	\$ 11,265,630	\$ 2,389,281	\$ 1,559,438	\$ -
Public safety	14,197,958	3,187,812	1,550,951	-
Economic and physical development	2,936,494	-	302,331	1,340,173
Human services	19,339,216	124,808	13,944,261	-
Cultural and recreation	540,741	24,904	133,313	-
Education	11,437,522	-	-	-
Interest and fees	805,349	-	-	-
Total governmental activities	<u>60,522,910</u>	<u>5,726,805</u>	<u>17,490,294</u>	<u>1,340,173</u>
Business-Type Activities:				
Water and sewer	6,011,145	5,233,713	-	553,201
Solid waste	3,802,629	3,727,923	-	-
Total business-type activities	<u>9,813,774</u>	<u>8,961,636</u>	<u>-</u>	<u>553,201</u>
Total primary government	<u>\$ 70,336,684</u>	<u>\$ 14,688,441</u>	<u>\$ 17,490,294</u>	<u>\$ 1,893,374</u>
Component Units:				
Tourism Development Authority	\$ 779,117	\$ 12,560	\$ -	\$ -
ABC Board	4,736,228	4,823,783	-	-
Total component units	<u>\$ 5,515,345</u>	<u>\$ 4,836,343</u>	<u>\$ -</u>	<u>\$ -</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, 2015

	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
Functions/Programs:					
Primary Government:					
Governmental Activities:					
General government	\$ (7,316,911)	\$ -	\$ (7,316,911)		
Public safety	(9,459,195)	-	(9,459,195)		
Economic and physical development	(1,293,990)	-	(1,293,990)		
Human services	(5,270,147)	-	(5,270,147)		
Cultural and recreation	(382,524)	-	(382,524)		
Education	(11,437,522)	-	(11,437,522)		
Interest and fees	(805,349)	-	(805,349)		
Total governmental activities	<u>(35,965,638)</u>	<u>-</u>	<u>(35,965,638)</u>		
Business-Type Activities:					
Water and sewer	-	(224,231)	(224,231)		
Solid waste	-	(74,706)	(74,706)		
Total business-type activities	<u>-</u>	<u>(298,937)</u>	<u>(298,937)</u>		
Total primary government	<u>(35,965,638)</u>	<u>(298,937)</u>	<u>(36,264,575)</u>		
Component Units:					
Tourism Development Authority				\$ (766,557)	\$ -
ABC Board				-	87,555
Total component units				<u>(766,557)</u>	<u>87,555</u>
General Revenues:					
Taxes:					
Ad valorem taxes	29,566,702	-	29,566,702	-	-
Local option sales taxes	8,161,488	-	8,161,488	-	-
Other taxes	99,262	-	99,262	-	-
Privilege tax	-	67,973	67,973	-	-
Occupancy tax	-	-	-	902,113	-
Interest earned on investments	37,586	3,357	40,943	188	1,505
Miscellaneous	441,373	-	441,373	-	-
Total general revenues	<u>38,306,411</u>	<u>71,330</u>	<u>38,377,741</u>	<u>902,301</u>	<u>1,505</u>
Change in Net Position	<u>2,340,773</u>	<u>(227,607)</u>	<u>2,113,166</u>	<u>135,744</u>	<u>89,060</u>
Net Position:					
Beginning of year - July 1	30,694,269	17,217,001	47,911,270	369,413	1,911,440
Restatement	<u>(2,557,545)</u>	<u>(110,288)</u>	<u>(2,667,833)</u>	<u>(37,455)</u>	<u>(12,823)</u>
Beginning of year - July 1 - restated	<u>28,136,724</u>	<u>17,106,713</u>	<u>45,243,437</u>	<u>331,958</u>	<u>1,898,617</u>
End of year - June 30	<u>\$ 30,477,497</u>	<u>\$ 16,879,106</u>	<u>\$ 47,356,603</u>	<u>\$ 467,702</u>	<u>\$ 1,987,677</u>

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2015

	Major	Nonmajor	
	General Fund	Other Governmental Funds	Total
Assets:			
Cash and investments	\$ 19,792,493	\$ 2,813,588	\$ 22,606,081
Taxes receivable, net	1,444,237	254,085	1,698,322
Accounts receivable, net	4,735,922	230,636	4,966,558
Due from other governments	187,709	13,156	200,865
Due from other funds	1,549,870	-	1,549,870
Inventories	76,826	-	76,826
Prepaid items	31,250	-	31,250
Restricted cash	1,735,599	-	1,735,599
Total assets	\$ 29,553,906	\$ 3,311,465	\$ 32,865,371
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,325,192	\$ 254,375	\$ 1,579,567
Due to other funds	-	1,549,870	1,549,870
Total liabilities	1,325,192	1,804,245	3,129,437
Deferred Inflows of Resources:			
Prepaid taxes	71,093	-	71,093
Taxes receivable	1,444,237	254,085	1,698,322
Total deferred inflows of resources	1,515,330	254,085	1,769,415
Fund Balances:			
Non-spendable:			
Inventory	76,826	-	76,826
Prepaid items	31,250	-	31,250
Restricted:			
Stabilization by State statute	6,473,501	243,792	6,717,293
Public safety	-	459,830	459,830
Economic development	-	10,029	10,029
Human services	7,144,253	-	7,144,253
Education	-	1,130,856	1,130,856
Committed	-	145,595	145,595
Assigned	4,658,251	-	4,658,251
Unassigned	8,329,303	(736,967)	7,592,336
Total fund balances	26,713,384	1,253,135	27,966,519
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,553,906	\$ 3,311,465	\$ 32,865,371

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	Total
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances	\$ 27,966,519
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,030,503
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.	(21,805,731)
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.	874,250
Net pension asset	2,016,316
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,385,458
Pension related deferrals	(4,688,140)
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.	1,698,322
Net position of governmental activities	\$ 30,477,497

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, 2015

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Revenues:			
Ad valorem taxes	\$ 24,785,670	\$ 4,800,635	\$ 29,586,305
Other taxes and licenses	7,716,600	544,150	8,260,750
Unrestricted intergovernmental revenues	385,800	-	385,800
Restricted intergovernmental revenues	17,486,635	1,265,528	18,752,163
Permits and fees	1,324,064	-	1,324,064
Sales and services	3,970,595	-	3,970,595
Interest earned on investments	29,823	7,067	36,890
Miscellaneous	354,324	87,049	441,373
Total revenues	<u>56,053,511</u>	<u>6,704,429</u>	<u>62,757,940</u>
Expenditures:			
Current:			
General government	7,870,394	-	7,870,394
Public safety	13,265,922	2,050,075	15,315,997
Economic and physical development	975,352	2,006,878	2,982,230
Human services	21,386,334	461,808	21,848,142
Cultural and recreation	631,639	-	631,639
Education	8,068,342	3,369,180	11,437,522
Debt service:			
Principal repayments	1,664,029	-	1,664,029
Interest	821,056	-	821,056
Total expenditures	<u>54,683,068</u>	<u>7,887,941</u>	<u>62,571,009</u>
Revenues over (under) expenditures	<u>1,370,443</u>	<u>(1,183,512)</u>	<u>186,931</u>
Other Financing Sources (Uses):			
Transfers in	421,791	2,190,350	2,612,141
Transfers out	<u>(2,190,350)</u>	<u>(175,291)</u>	<u>(2,365,641)</u>
Total other financing sources (uses)	<u>(1,768,559)</u>	<u>2,015,059</u>	<u>246,500</u>
Net change in fund balances	(398,116)	831,547	433,431
Fund Balances:			
Beginning of year - July 1	<u>27,111,500</u>	<u>421,588</u>	<u>27,533,088</u>
End of year - June 30	<u>\$ 26,713,384</u>	<u>\$ 1,253,135</u>	<u>\$ 27,966,519</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, 2015

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	\$ 433,431
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(53,116)
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.	(129,969)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(382,637)
Capital assets disposed of during the year not recognized on the modified accrual basis.	(252,045)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,385,458
Pension expense	(114,279)
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.	15,707
Expenses related to Compensated Absences, Other Post-Employment Benefits, and Law Enforcement Officers' Separation Allowance, and pension obligations that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(195,478)
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.	1,664,029
The net revenue of the internal service funds are reported with governmental activities.	<u>(30,328)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 2,340,773</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 24,572,650	\$ 24,572,650	\$ 24,785,670	\$ 213,020
Other taxes and licenses	7,186,754	8,009,650	7,716,600	(293,050)
Unrestricted intergovernmental revenues	240,000	240,000	385,800	145,800
Restricted intergovernmental revenues	15,823,620	18,319,644	17,486,635	(833,009)
Permits and fees	1,439,637	1,448,707	1,324,064	(124,643)
Sales and services	3,995,925	4,069,572	3,970,595	(98,977)
Investment earnings	14,000	14,000	29,477	15,477
Miscellaneous	176,560	368,325	354,324	(14,001)
Total revenues	<u>53,449,146</u>	<u>57,042,548</u>	<u>56,053,165</u>	<u>(989,383)</u>
Expenditures:				
Current:				
General government	7,492,080	9,037,494	7,870,394	1,167,100
Public safety	13,292,428	14,087,698	13,265,922	821,776
Economic and physical development	924,488	2,605,117	975,352	1,629,765
Human services	23,014,637	27,006,350	21,386,334	5,620,016
Cultural and recreational	588,125	652,705	631,639	21,066
Education	8,214,702	9,995,775	8,068,342	1,927,433
Debt service:				
Principal retirement	1,881,535	1,975,823	1,664,029	311,794
Interest and fees	792,476	798,641	821,056	(22,415)
Total expenditures	<u>56,200,471</u>	<u>66,159,603</u>	<u>54,683,068</u>	<u>11,476,535</u>
Revenues over (under) expenditures	<u>(2,751,325)</u>	<u>(9,117,055)</u>	<u>1,370,097</u>	<u>10,487,152</u>
Other Financing Sources (Uses):				
Intrafund transfers	(33,909)	141,382	141,382	-
Transfers in	421,791	421,791	421,791	-
Transfers out	-	(2,190,350)	(2,190,350)	-
Appropriated fund balance	2,363,443	10,744,232	-	(10,744,232)
Total other financing sources (uses)	<u>2,751,325</u>	<u>9,117,055</u>	<u>(1,627,177)</u>	<u>(10,744,232)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(257,080)</u>	<u>\$ (257,080)</u>
Fund Balance:				
Beginning of year - July 1			<u>26,223,125</u>	
End of year - June 30			<u>\$ 25,966,045</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities			Governmental
	Major			Activities
	Solid Waste Fund	Water Fund	Total	Internal Service Funds
Assets:				
Current assets:				
Cash and investments	\$ 4,919,548	\$ 2,242,136	\$ 7,161,684	\$ 1,543,585
Accounts receivable, net	596,243	696,480	1,292,723	558
Due from other governments	13,534	14,922	28,456	-
Long term receivables	3,980,555	-	3,980,555	-
Restricted cash	161,810	290,699	452,509	-
Inventories	-	39,122	39,122	-
Total current assets	9,671,690	3,283,359	12,955,049	1,544,143
Non-current assets:				
Net pension asset	39,982	39,982	79,964	-
Capital assets:				
Non-depreciable assets	406,683	5,019,415	5,426,098	-
Other capital assets, net of depreciation	2,303,293	29,847,543	32,150,836	-
Total capital assets	2,709,976	34,866,958	37,576,934	-
Total non-current assets	2,749,958	34,906,940	37,656,898	-
Total assets	12,421,648	38,190,299	50,611,947	1,544,143
Deferred Outflows of Resources:				
Contributions to pension plan in current fiscal year	28,791	28,791	57,582	-
Total deferred outflows of resources	28,791	28,791	57,582	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	154,898	112,019	266,917	669,893
Accrued interest payable	11,722	115,998	127,720	-
Compensated absences payable	13,138	12,053	25,191	-
Accrued landfill post-closure care costs	112,968	-	112,968	-
Liabilities payable from restricted assets:				
Customer deposits	-	260,780	260,780	-
Notes payable	192,575	122,236	314,811	-
General obligation bonds payable	-	846,806	846,806	-
Revenue bonds payable	-	45,000	45,000	-
Total current liabilities	485,301	1,514,892	2,000,193	669,893
Non-current liabilities:				
Compensated absences payable	21,434	19,665	41,099	-
Accrued landfill post-closure care costs	7,001,936	-	7,001,936	-
Other post-employment benefits	31,099	36,215	67,314	-
Notes payable - non-current portion	1,176,464	1,804,105	2,980,569	-
General obligation bonds payable - non-current	-	18,909,122	18,909,122	-
Revenue bonds payable - non-current	-	2,595,000	2,595,000	-
Total non-current liabilities	8,230,933	23,364,107	31,595,040	-
Total liabilities	8,716,234	24,878,999	33,595,233	669,893
Deferred Inflows of Resources	97,595	97,595	195,190	-
Net Position:				
Net investment in capital assets	1,502,747	10,574,608	12,077,355	-
Unrestricted	2,133,863	2,667,888	4,801,751	874,250
Total net position	\$ 3,636,610	\$ 13,242,496	\$ 16,879,106	\$ 874,250

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, 2015

	<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>Funds</u>
Operating Revenues:				
Water and sewer sales	\$ 3,727,923	\$ 5,190,513	\$ 8,918,436	\$ -
System tap and service fees	-	43,200	43,200	-
Other taxes and licenses	67,973	-	67,973	-
Charges for services	-	-	-	4,113,863
Total operating revenues	<u>3,795,896</u>	<u>5,233,713</u>	<u>9,029,609</u>	<u>4,113,863</u>
Operating Expenses:				
Administration	-	-	-	3,898,387
Water and sewer operations	-	3,783,489	3,783,489	-
Repairs and maintenance	-	70,930	70,930	-
Landfill operations	3,451,761	-	3,451,761	-
Landfill post-closure care costs	98,233	-	98,233	-
Depreciation	210,347	1,417,491	1,627,838	-
Total operating expenses	<u>3,760,341</u>	<u>5,271,910</u>	<u>9,032,251</u>	<u>3,898,387</u>
Operating income (loss)	<u>35,555</u>	<u>(38,197)</u>	<u>(2,642)</u>	<u>215,476</u>
Non-Operating Revenues (Expenses):				
Investment earnings	2,535	822	3,357	696
Interest and fees paid	(42,288)	(739,235)	(781,523)	-
Total non-operating revenues (expenses)	<u>(39,753)</u>	<u>(738,413)</u>	<u>(778,166)</u>	<u>696</u>
Income (loss) before transfers and capital contributions	<u>(4,198)</u>	<u>(776,610)</u>	<u>(780,808)</u>	<u>216,172</u>
Transfers to other funds	-	-	-	(246,500)
Capital contributions	-	553,201	553,201	-
Total transfers and capital contributions	<u>-</u>	<u>553,201</u>	<u>553,201</u>	<u>(246,500)</u>
Change in net position	<u>(4,198)</u>	<u>(223,409)</u>	<u>(227,607)</u>	<u>(30,328)</u>
Net Position:				
Beginning of year - July 1	3,695,952	13,521,049	17,217,001	904,578
Restatement	(55,144)	(55,144)	(110,288)	-
Beginning of year - July 1 - restated	<u>3,640,808</u>	<u>13,465,905</u>	<u>17,106,713</u>	<u>904,578</u>
End of year - June 30	<u>\$ 3,636,610</u>	<u>\$ 13,242,496</u>	<u>\$ 16,879,106</u>	<u>\$ 874,250</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, 2015

	<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>Funds</u>
Cash Flows From Operating Activities:				
Cash received from customers	\$ 3,624,170	\$ 5,144,442	\$ 8,768,612	\$ 4,113,784
Cash paid for goods and services	(2,808,978)	(3,165,676)	(5,974,654)	(3,921,462)
Cash paid to employees for services	(513,591)	(598,849)	(1,112,440)	-
Net cash provided (used) by operating activities	<u>301,601</u>	<u>1,379,917</u>	<u>1,681,518</u>	<u>192,322</u>
Cash Flows From Non-Capital Financing Activities:				
Transfers out	-	-	-	(246,500)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246,500)</u>
Cash Flows From Capital And Related Financing Activities:				
Contributed capital received	-	553,201	553,201	-
Interest expense	(30,566)	(618,081)	(648,647)	-
Acquisition of capital assets	(81,298)	(1,203,748)	(1,285,046)	-
Long-term debt issued	-	694,746	694,746	-
Principal repayments on long-term debt	(188,703)	(939,432)	(1,128,135)	-
Net cash provided (used) by capital and related financing activities	<u>(300,567)</u>	<u>(1,513,314)</u>	<u>(1,813,881)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Interest on investments	<u>2,535</u>	<u>822</u>	<u>3,357</u>	<u>696</u>
Net cash provided (used) by investing activities	<u>2,535</u>	<u>822</u>	<u>3,357</u>	<u>696</u>
Net increase (decrease) in cash and cash equivalents	3,569	(132,575)	(129,006)	(53,482)
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>5,077,789</u>	<u>2,665,410</u>	<u>7,743,199</u>	<u>1,597,067</u>
End of year - June 30	<u>\$ 5,081,358</u>	<u>\$ 2,532,835</u>	<u>\$ 7,614,193</u>	<u>\$ 1,543,585</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, 2015**

	<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>Funds</u>
Reconciliation Of Operating Income (Loss) To				
Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ 35,555	\$ (38,197)	\$ (2,642)	\$ 215,476
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	210,347	1,417,491	1,627,838	-
Pension expense	2,469	2,469	4,938	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(107,563)	1,617,742	1,510,179	(79)
(Increase) decrease in inventories	-	7,505	7,505	-
Increase (decrease) in accounts payable and accrued liabilities	91,351	(1,611,957)	(1,520,606)	(23,075)
Increase (decrease) in customer deposits	-	13,655	13,655	-
(Increase) decrease in deferred outflows of resources for pension	(28,791)	(28,791)	(57,582)	-
Increase (decrease) in accrued landfill closure and post-closure costs	98,233	-	98,233	-
Net cash provided (used) by operating activities	<u>\$ 301,601</u>	<u>\$ 1,379,917</u>	<u>\$ 1,681,518</u>	<u>\$ 192,322</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, 2015

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash	\$ 31,033	\$ 137,314
Taxes receivable, net	<u>-</u>	<u>897,551</u>
Total assets	<u>\$ 31,033</u>	<u>\$ 1,034,865</u>
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 223,743
Intergovernmental payable	<u>-</u>	<u>811,122</u>
Total liabilities	<u>-</u>	<u>\$ 1,034,865</u>
Net Position:		
Assets held in trust for pension benefits	<u>\$ 31,033</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, 2015

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 25,000
Investment income	<u>29</u>
Total additions	<u>25,029</u>
Deductions:	
Benefits	<u>71,765</u>
Change in net position	(46,736)
Net Position:	
Beginning of year - July 1	<u>77,769</u>
End of year - June 30	<u>\$ 31,033</u>

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, 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, 2015, 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, 2015

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, 2015

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 2011, and 2014 CDBG Infrastructure Project.

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, QCSB Roanoke Rapids, Jail Construction, Manning Elementary School Design, Project Freebird, 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, 2015

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 three 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; and ROD Trust Fund Fee, which accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Trust Funds. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other post-employment benefit plans. The LEO Special Separation Allowance Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance but are not held in a trust that meets the criteria outlined in GASB Statement 68, paragraph 4.

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, 2015

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, 2015

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 2011 and 2014 CDBG Infrastructure Project), 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, 2015

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, 2015 is restricted for the purpose of debt retirement. The unexpended proceeds of the County's financing for the water capital project and the solid waste transfer station 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.

Fund	Description	Amount
Governmental Activities:		
General Fund	QZAB Sinking Fund	\$ 988,260
General Fund	Reassessment	<u>747,339</u>
		<u>1,735,599</u>
Business-Type Activities:		
Solid Waste Fund	Unspent proceeds	161,810
Water Fund	Unspent proceeds	29,919
Water Fund	Customer deposits	<u>260,780</u>
		<u>452,509</u>
Total restricted cash		<u><u>\$ 2,188,108</u></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, 2014. 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, 2015

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. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

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, 2015

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. The County has two items that meet this criteria – contributions made to the pension plan in the current fiscal year and pension related deferrals. In addition to liabilities, the Statement of Net 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 criteria for this category – prepaid taxes, taxes receivable, and other pension related deferrals.

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 30 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, 2015

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 intact.

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, 2015

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	\$ 6,473,501	\$ 243,792	\$ 6,717,293
Human services	7,144,253	-	7,144,253
Economic development	-	10,029	10,029
Education	-	1,130,856	1,130,856
Public safety	-	459,830	459,830
Total	<u>\$ 13,617,754</u>	<u>\$ 1,844,507</u>	<u>\$ 15,462,261</u>

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

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

<u>Purpose</u>	<u>Other Governmental</u>
Economic development	<u>\$ 145,595</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 2015-2016 expenditures.

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

<u>Purpose</u>	<u>General Fund</u>
Public safety	\$ 1,756,693
Subsequent year's expenditures	<u>2,901,558</u>
Total	<u>\$ 4,658,251</u>

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

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

The County has not officially adopted a fund balance policy.

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

Total fund balance - General Fund	\$ 26,713,384
Less:	
Inventories	76,826
Prepays	31,250
Stabilization by State statute	6,473,501
Restricted, human services	7,144,253
Assigned, public safety	1,756,693
Appropriated fund balance - FY16	<u>2,901,558</u>
Remaining fund balance	<u>\$ 8,329,303</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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>\$ 25,966,045</u>
Reassessment Fund:	
Revenues:	
Investment earnings	346
Transfers in	150,000
Transfers out	(291,382)
Fund Balance:	
Beginning of year - July 1	<u>888,375</u>
End of year - June 30	<u>747,339</u>
Total ending fund balance (Exhibit D)	<u><u>\$ 26,713,384</u></u>

R. Defined Benefit Pension Plans

The County participates in two cost-sharing, multi-employer, defined benefit pension plans that are administered by the State; the Local Government Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "State-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the State-administered defined benefit pension plans and additions to/deductions from the State-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the State-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the State-administered defined benefit pension plans. Investments are reported at fair value.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance or Net Position of Individual Funds:

For the fiscal year ended June 30, 2015, individual funds had deficit fund balances as follows:

Piezotronics Project	\$	600,001
2014 CDBG Infrastructure Project		459

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 the facility to PCB; this should be completed in late 2015.

B. Non-Compliance with Bond Agreements:

For the fiscal year ended June 30, 2015, the County was not in compliance with revenue bond covenants for debt serviced by the Water Fund.

For the fiscal year ended June 30, 2015, the County violated the Qualified School Construction Bond (QSCB) agreement by not making a required sinking fund payment in September 2014. The QSCB is serviced by the General Fund. More information can be found in the long-term obligation section.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the County's deposits had a carrying amount of \$18,717,868 and a bank balance of \$18,975,138. Of the bank balance, \$750,000 was covered by federal depository insurance and \$18,225,138 was covered by collateral held under the Pooling Method.

At June 30, 2015, the County had \$3,157 cash on hand.

Investments

At June 30, 2015, the County had \$14,946,780 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, 2015.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Year Ended			
June 30	Tax	Interest	Total
2012	\$ 1,098,310	\$ 367,934	\$ 1,466,244
2013	1,120,041	274,410	1,394,451
2014	1,138,286	176,434	1,314,720
2015	<u>1,143,549</u>	<u>74,331</u>	<u>1,217,880</u>
Total	<u>\$ 4,500,186</u>	<u>\$ 893,109</u>	<u>\$ 5,393,295</u>

Receivables

The receivables amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2015 are net of the following allowances:

	<u>Accounts</u>
Governmental Activities:	
General Fund	
Taxes receivable	\$ 635,816
Accounts receivable	<u>1,073,213</u>
Total governmental activities	<u>\$ 1,709,029</u>
Business-Type Activities:	
Solid waste	\$ 188,801
Water Fund	<u>227,850</u>
Total business-type activities	<u>\$ 416,651</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax and other	<u>\$ 200,865</u>	<u>\$ 28,456</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets

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

	Balance			Balance
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land and improvements	\$ 3,700,690	\$ -	\$ -	\$ 3,700,690
Construction in progress	<u>3,006,261</u>	<u>199,653</u>	<u>(708,929)</u>	<u>2,496,985</u>
Total non-depreciable capital assets	<u>6,706,951</u>	<u>199,653</u>	<u>(708,929)</u>	<u>6,197,675</u>
Depreciable Assets:				
Buildings and improvements	31,327,279	6,950	-	31,334,229
Vehicles	4,071,607	263,957	(213,316)	4,122,248
Equipment	<u>5,080,329</u>	<u>108,400</u>	<u>(200,123)</u>	<u>4,988,606</u>
Total depreciable capital assets	<u>40,479,215</u>	<u>379,307</u>	<u>(413,439)</u>	<u>40,445,083</u>
Total capital assets	<u>47,186,166</u>	<u>578,960</u>	<u>(1,122,368)</u>	<u>46,642,758</u>
Less Accumulated Depreciation:				
Buildings and improvements	(15,835,469)	(162,699)	-	(15,998,168)
Vehicles	(2,957,838)	(89,354)	(35,246)	(3,082,438)
Equipment	<u>(4,597,705)</u>	<u>(130,584)</u>	<u>196,640</u>	<u>(4,531,649)</u>
Total accumulated depreciation	<u>(23,391,012)</u>	<u>\$ (382,637)</u>	<u>\$ 161,394</u>	<u>(23,612,255)</u>
Governmental activities capital assets, net	<u>\$ 23,795,154</u>			<u>\$ 23,030,503</u>

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

Governmental Activities:	
General government	\$ 92,075
Public safety	153,972
Economic and physical development	58,378
Human services	76,970
Cultural and recreational	<u>1,242</u>
Total	<u>\$ 382,637</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital assets for proprietary funds of the County at June 30, 2015 are as follows:

	Balance	July 1, 2014	Additions	Retirements	Transfers	Balance	June 30, 2015
Business-Type Activities:							
Solid Waste:							
Non-Depreciable Assets:							
Land	\$	312,250	\$ -	\$ -	\$ -	\$	312,250
Construction in progress		25,237	69,196	-	-		94,433
Total non-depreciable assets		337,487	69,196	-	-		406,683
Depreciable Assets:							
Other improvements		27,123	-	-	-		27,123
Buildings		1,853,739	-	-	-		1,853,739
Vehicles		698,930	-	-	-		698,930
Equipment		1,717,351	12,102	(40,021)	-		1,689,432
Total depreciable capital assets		4,297,143	12,102	(40,021)	-		4,269,224
Less Accumulated Depreciation:							
Other improvements		(19,727)	(1,614)	-	-		(21,341)
Buildings		(48,995)	(61,916)	-	-		(110,911)
Vehicles		(516,490)	(43,680)	-	-		(560,170)
Equipment		(1,210,393)	(103,137)	40,021	-		(1,273,509)
Total accumulated depreciation		(1,795,605)	\$ (210,347)	\$ 40,021	\$ -		(1,965,931)
Total solid waste capital assets, net		2,839,025					2,709,976

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2015</u>
Water Fund:					
Non-Depreciable Assets:					
Land	\$ 124,477	\$ -	\$ -	\$ -	\$ 124,477
Construction in progress	3,731,825	1,163,113	-	-	4,894,938
Total non-depreciable capital assets	<u>3,856,302</u>	<u>1,163,113</u>	<u>-</u>	<u>-</u>	<u>5,019,415</u>
Depreciable Assets:					
Plant and distribution centers	49,734,147	-	-	-	49,734,147
Vehicles	336,922	24,051	-	-	360,973
Equipment and furniture	1,930,605	16,584	-	-	1,947,189
Total depreciable capital assets	<u>52,001,674</u>	<u>40,635</u>	<u>-</u>	<u>-</u>	<u>52,042,309</u>
Less Accumulated Depreciation:					
Plant and distribution centers	(18,649,384)	(1,369,928)	-	-	(20,019,312)
Vehicles	(257,750)	(20,425)	-	-	(278,175)
Equipment and furniture	(1,870,141)	(27,138)	-	-	(1,897,279)
Total accumulated depreciation	<u>(20,777,275)</u>	<u>\$ (1,417,491)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(22,194,766)</u>
Total water capital assets, net	<u>35,080,701</u>				<u>34,866,958</u>
Business-type activities capital assets, net	<u>\$ 37,919,726</u>				<u>\$ 37,576,934</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2015 is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets	\$ 23,030,503	\$ 37,576,934
Total debt, gross	17,724,487	25,691,308
Long-term debt for assets not owned by the County	13,141,003	-
Unexpended proceeds	<u>-</u>	<u>191,729</u>
Total capital debt	<u>4,583,484</u>	<u>25,499,579</u>
Net investment in capital assets	<u>\$ 18,447,019</u>	<u>\$ 12,077,355</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

B. Liabilities

Construction Commitments

The County has two active construction projects as of June 30, 2015; both of which are reported as enterprise funds. The remaining balance for each of these contracts are: Insituform for the Weldon Sanitary Sewer Upgrade in the amount of \$266,908 and Ralph Hodge Construction Company for Water Phase XI and XI-A in the amount of \$304,259.

Payables

Payables at Exhibit A for June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,322,898	\$ 599,333	\$ -	\$ 1,922,231
Other governmental	<u>254,375</u>	<u>-</u>	<u>-</u>	<u>254,375</u>
Total governmental activities	<u>\$ 1,577,273</u>	<u>\$ 599,333</u>	<u>\$ -</u>	<u>\$ 2,176,606</u>
Business-Type Activities:				
Solid waste	\$ 154,898	\$ -	\$ -	\$ 154,898
Water	<u>106,104</u>	<u>-</u>	<u>5,915</u>	<u>112,019</u>
Total business-type activities	<u>\$ 261,002</u>	<u>\$ -</u>	<u>\$ 5,915</u>	<u>\$ 266,917</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 50 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015 was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the plan from the County were \$1,439,526 for the year ended June 30, 2015.

Refunds of Contributions. County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$1,999,122 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .339%, which was a decrease of .009% from its proportion measured as of June 30, 2013.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

For the year ended June 30, 2015, the County recognized pension expense of \$123,474. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 218,439
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,653,911
Changes in proportion and differences between County contributions and proportionate share of contributions	-	7,421
County's contributions subsequent to the measurement date	1,439,526	-
Total	\$ 1,439,526	\$ 4,879,771

\$1,439,526 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2016	\$ (1,220,085)
2017	(1,220,085)
2018	(1,220,085)
2019	(1,219,516)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	36.0%	2.5%
Global equity	40.5%	6.1%
Real estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation protection	<u>4.5%</u>	3.7%
Total	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: fixed income 2.2%, global equity 5.8%, real estate 5.2%, alternatives 9.8%, credit 6.8%, and inflation protection 3.4%.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Assets to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	<u>\$ 6,785,884</u>	<u>\$ (1,999,122)</u>	<u>\$ (9,395,813)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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. For reporting purposes, the Separation Allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB Statement 68.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>63</u>
Total	<u><u>69</u></u>

Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust that meet the following criteria, which are outlines in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

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 1.03%, 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, 2013 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, 2013 was 17 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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	\$ 130,304
Interest on net pension obligation	35,176
Adjustment to annual required contribution	<u>(59,431)</u>
Annual pension cost	106,049
Contributions made	<u>(25,000)</u>
Increase (decrease) in net pension obligation	81,049
Net pension obligation:	
Beginning of year - July 1	<u>703,527</u>
End of year - June 30	<u><u>\$ 784,576</u></u>

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 96,460	25.92%	\$ 625,926
2014	102,601	24.37%	703,527
2015	106,049	23.57%	784,576

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 5.83% funded. The Actuarial Accrued Liability for benefits was \$1,149,299 and the Actuarial Value of Assets was \$67,002, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$1,082,297. The covered payroll (annual payroll of active employees covered by the plan) was \$2,423,836 and the ratio of the UAAL to the covered payroll was 44.65%. 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, 2015

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 5% 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, 2015 were \$331,007, which consisted of \$121,374 from the County, \$29,805 from the law enforcement officers, and \$179,828 from employees not engaged in law enforcement.

Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution 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 Governmental 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension 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 Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least ten years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of deeds do not contribute. Contribution provisions are established by the General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,514 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$97,158 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .43%, which was an increase of .03% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(4,255). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 892	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	523
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,928
County's contributions subsequent to the measurement date	3,514	-
Total	\$ 4,406	\$ 4,451

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$3,514 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Total
2016	\$ (1,511)
2017	(1,511)
2018	(407)
2019	(130)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75%) or 1-percentage-point higher (6.75%) than the current rate.

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ (87,242)</u>	<u>\$ (97,158)</u>	<u>\$ (105,677)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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.

HALIFAX COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Membership of the Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

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

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation for the healthcare benefits:

	Governmental Activities	Business -Type Activities	Total
Annual required contribution	\$ 411,610	\$ 17,650	\$ 429,260
Interest on net OPEB obligation	58,509	2,509	61,018
Adjustments to annual required contribution	(55,894)	(2,397)	(58,291)
Annual OPEB cost (expense)	414,225	17,762	431,987
Contributions made	(240,245)	(10,302)	(250,547)
Increase (decrease) in net OPEB obligation	173,980	7,460	181,440
Net OPEB obligation:			
Beginning of year - July 1	1,465,589	59,854	1,525,443
End of year - June 30	<u>\$ 1,639,569</u>	<u>\$ 67,314</u>	<u>\$ 1,706,883</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 372,842	33.0%	\$ 1,344,327
2014	431,663	58.0%	1,525,443
2015	431,987	58.0%	1,706,883

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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.

As of June 30, 2015, 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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, 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, 2015.

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 \$7,114,904 reported as landfill post-closure care liability at June 30, 2015, 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 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. As per NCGS 130A 295.2(h), the estimated closure expenses have been increased by the minimum \$3,000,000 for potential and corrective action. The County has entered into a contract with Westmoreland-Hadison Partners, as of March 4, 1991, for the reimbursement of all actual and reasonable expenses related to the Ash Monofill. A receivable in the amount of \$3,980,555 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 \$33,033 (market value – \$31,033) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are composed of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plans in the current fiscal year	\$ 1,443,040
Pension deferrals	892
Total	<u>\$ 1,443,932</u>

Deferred inflows of resources at year-end are comprised of the following:

<u>Source</u>	<u>Amount</u>
General Fund taxes receivable, net	\$ 1,444,237
Special Revenue Fund taxes receivable, net	254,085
General Fund:	
Prepaid taxes not yet earned	71,093
Pension deferrals	4,884,222

Risk Management

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

The County obtained blanket property insurance coverage of \$67,239,001 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Changes in the fund's claims liability amounts for fiscal year 2014-2015 were as follows:

<u>Year Ended June 30</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2014	\$ 632,260	\$ 3,439,278	\$ (3,498,313)	\$ 573,225
2015	573,225	3,875,914	(3,849,806)	599,333

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

Contingent Liabilities

At June 30, 2015, 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 \$142,155 and book value is \$364,537.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending	Amount
June 30	
2016	\$ 21,365
2017	21,354
2018	21,364
2019	21,364
2020	21,364
2021-2025	106,821
2026-2028	<u>1,310</u>
Total minimum lease payments	214,942
Less: amount representing interest	<u>(56,545)</u>
Present value of minimum lease payments	<u><u>\$ 158,397</u></u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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.	\$ 9,350,000
\$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
4.45%, \$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.	4,155,124
\$2,488,997 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%.	2,148,603
1.43%, \$450,000 note, payable in annual installments of \$92,574 including interest beginning December 2013 through 2017; secured by EMS building.	<u>269,963</u>
Total notes payable	<u>\$ 17,566,090</u>

As of June 30, 2015, funds totaling \$988,260 have been deposited as part of the QZAB sinking fund requirement.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

Year Ending June 30	Principal	Interest	Total
2016	\$ 1,482,384	\$ 726,335	\$ 2,208,719
2017	1,483,654	674,257	2,157,911
2018	1,484,940	622,622	2,107,562
2019	1,393,672	570,046	1,963,718
2020	1,393,672	518,175	1,911,847
2021-2025	8,610,758	1,800,322	10,411,080
2026-2028	1,717,010	258,636	1,975,646
Total	<u>\$ 17,566,090</u>	<u>\$ 5,170,393</u>	<u>\$ 22,736,483</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.

\$ 60,587

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.

1,308,452

Total notes payable - solid waste

1,369,039

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.

1,231,895

2014 DENR Clean Water State Revolving Loan; \$995,440 due in annual installments of \$49,772, interest-free, beginning May 2016 through 2035.

694,446

Total notes payable - water and sewer

1,926,341

Total notes payable - enterprise funds

\$ 3,295,380

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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
2016	\$ 314,811	\$ 28,250	\$ 343,061
2017	318,865	24,246	343,111
2018	291,916	20,158	312,074
2019	295,584	16,491	312,075
2020	299,331	12,744	312,075
2021-2025	1,070,847	14,930	1,085,777
2026-2030	559,348	-	559,348
2031-2032	144,678	-	144,678
Total	<u>\$ 3,295,380</u>	<u>\$ 116,819</u>	<u>\$ 3,412,199</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, 2015

Bonds payable at June 30, 2015 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.	\$ 3,695,000
\$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.	6,467,000
\$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.	1,831,000
\$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>7,762,928</u>
Total bonds payable	<u>\$ 19,755,928</u>

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

Year Ending	Principal	Interest	Total
June 30	Principal	Interest	Total
2016	\$ 846,806	\$ 686,092	\$ 1,532,898
2017	875,314	659,761	1,535,075
2018	898,202	632,013	1,530,215
2019	923,480	603,284	1,526,764
2020	948,158	573,338	1,521,496
2021-2025	5,170,822	2,377,506	7,548,328
2026-2030	4,207,146	1,485,524	5,692,670
2031-2035	1,167,000	1,069,999	2,236,999
2036-2040	1,417,000	821,379	2,238,379
2041-2045	1,718,000	519,198	2,237,198
2046-2050	1,584,000	166,555	1,750,555
Total	<u>\$ 19,755,928</u>	<u>\$ 9,594,649</u>	<u>\$ 29,350,577</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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. The balance at June 30, 2015 is \$2,640,000.

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

Year Ending			
June 30	Principal	Interest	Total
2016	\$ 45,000	\$ 52,800	\$ 97,800
2017	46,000	51,900	97,800
2018	47,000	50,980	97,900
2019	48,000	50,040	97,980
2020	49,000	49,080	98,040
2021-2025	260,000	230,300	490,300
2026-2030	288,000	203,240	491,240
2031-2035	318,000	173,240	491,240
2036-2040	351,000	140,160	491,160
2041-2045	387,000	103,660	490,660
2046-2050	428,000	63,320	491,320
2051-2054	373,000	18,780	391,780
Total	<u>\$ 2,640,000</u>	<u>\$ 1,187,500</u>	<u>\$ 3,827,220</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The County was not in compliance with Article V, section 5.01 (b) (Revenues and other funds) of the revenue bond covenants for the year ended June 30, 2015. 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, 2015 is as follows:

Revenues	\$ 5,233,713
Operating expense*	<u>(3,854,419)</u>
Net revenues	<u>\$ 1,379,294</u>
Debt service, revenue bond only	<u>\$ 97,501</u>
Debt service coverage ratio	<u>1415%</u>
Debt service, GO bonds, revenue bonds, and notes payable	<u>\$ 1,683,823</u>
Debt service coverage ratio	<u>81.91%</u>

*Excludes depreciation of \$1,417,491

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015:

	Restated Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Current Portion of Balance
Governmental Activities:					
Notes payable	\$ 19,213,880	\$ -	\$ (1,647,790)	\$ 17,566,090	\$ 1,482,384
Capital leases	174,636	-	(16,239)	158,397	21,365
Compensated absences	1,544,146	687,246	(746,797)	1,484,595	549,300
Net pension liability (LGERS)	4,028,104	-	(4,028,104)	-	-
Other post-employment benefits	1,465,589	414,225	(240,245)	1,639,569	-
Unfunded Special Separation Allowance	703,527	106,049	(25,000)	784,576	-
Total governmental activities	<u>\$ 27,129,882</u>	<u>\$ 1,207,520</u>	<u>\$ (6,704,175)</u>	<u>\$ 21,633,227</u>	<u>\$ 2,053,049</u>
Business-Type Activities:					
Solid Waste:					
Note payable	\$ 1,557,742	\$ -	\$ (188,703)	\$ 1,369,039	\$ 192,575
Accrued landfill closure and post-closure care costs	7,016,671	98,233	-	7,114,904	112,968
Net pension liability (LGERS)	83,919	-	(83,919)	-	-
Other post-employment benefits	27,583	8,372	(4,856)	31,099	-
Compensated absences	30,705	9,830	(5,963)	34,572	13,138
Total solid waste activities	<u>8,716,620</u>	<u>116,435</u>	<u>(283,441)</u>	<u>8,549,614</u>	<u>318,681</u>
Water:					
General obligation debt	20,575,596	-	(819,668)	19,755,928	846,806
Revenue bonds	2,687,000	-	(47,000)	2,640,000	45,000
Notes payable	1,304,359	694,746	(72,764)	1,926,341	122,236
Net pension liability (LGERS)	83,919	-	(83,919)	-	-
Other post-employment benefits	32,271	9,390	(5,446)	36,215	-
Compensated absences	39,442	15,894	(23,618)	31,718	12,053
Total water activities	<u>24,722,587</u>	<u>720,030</u>	<u>(1,052,415)</u>	<u>24,390,202</u>	<u>1,026,095</u>
Total business-type activities	<u>\$ 33,439,207</u>	<u>\$ 836,465</u>	<u>\$ (1,335,856)</u>	<u>\$ 32,939,816</u>	<u>\$ 1,344,776</u>

At June 30, 2015, the County had a legal debt margin of \$249,016,000.

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

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, 2015

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 \$4,583,484 relates to assets to which the County holds title.

C. Interfund Balances and Activity

Transfers from/to other funds at June 30, 2015 consist of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other nonmajor governmental funds	\$ 2,190,350	Project funding
Jail construction project	General Fund	175,291	Close project
Internal Service Fund	General Fund	246,500	Fund internal service program
Total		<u>\$ 2,612,141</u>	

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Capital project funds	<u>\$ 1,549,870</u>

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 13-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 \$1,138,599 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2015. 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, 2015. 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 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 \$8,000 to the Transportation Authority during the fiscal year ended June 30, 2015. 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, 2015. 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.

The County also participates in the Halifax-Northampton Regional Airport Authority (the “Regional Airport Authority”) with two other local governments. Halifax County appoints two members to the nine-member Board of the Regional Airport Authority. The Regional Airport Authority is a joint venture established to develop, maintain, operate, regulate, and improve the Regional Airport. The County has an ongoing financial responsibility for the joint venture because the Regional Airport Authority’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the Regional Airport Authority, so no equity interest has been reflected in the financial statements at June 30, 2015. The County appropriated \$12,000 to the Regional Airport Authority to supplement its activities.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

6. Jointly Governed Organization

The County, in conjunction with three other counties and 32 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, 2015.

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.

	Federal	State
Chafee Foster Care Independence Program	\$ 9,062	\$ -
TANF payments and penalties	529,246	-
IV-E Foster Care	56,685	15,132
IV-E Adopt Subsidy and Vendor	158,739	40,805
Medical Assistance Program	71,862,372	40,510,340
NC Health Choice	1,069,078	337,401
Special Supplemental Nutrition Program for Women, Infants, and Children	1,609,306	-
CWS Adopt Subsidy and Vendor	-	135,126
F/C At Risk Maximization	-	447
State/County Special Assistance for Adults	-	687,352
SFHF Maximization	-	43,423
State Foster Home	-	23,478
Total	\$ 75,294,488	\$ 41,793,504

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, 2015

9. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ended June 30, 2015. The implementation of the statement required the County to record beginning liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ended June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,557,545 and \$110,288, respectively.



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REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- **Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Employer Contributions for the Law Enforcement Officer's Special Separation Allowance**
- **Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance**
- **Required Supplementary Information – Other Post-Employment Benefits – Retiree Health Plan**
- **Halifax County's Proportionate Share of Net Pension Liability (Asset) for the Last Two Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Contributions for the Last Two Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Proportionate Share of Net Pension Liability (Asset) for the Last Two Fiscal Years for the Register of Deeds' Supplemental Pension Fund**
- **Halifax County's Contributions for the Last Two Fiscal Years for the Register of Deeds' Supplemental Pension Fund**



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HALIFAX COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

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
12/31/2014	\$ 67,002	\$ 1,149,299	\$ 1,082,297	5.83%	\$ 2,423,836	44.65%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2015	\$ 130,304	\$ 25,000	19.19%
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%

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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	16 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, 2015

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
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%
2015	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%

HALIFAX COUNTY, NORTH CAROLINA**HALIFAX COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS***

Local Governmental Employees' Retirement System		
	2015	2014
Halifax County's proportion of the net pension liability (asset) (%)	0.339%	0.348%
Halifax County's proportion of the net pension liability (asset) (\$)	\$ 1,999,122	\$ 4,195,942
Halifax County's covered-employee payroll	\$ 20,433,406	\$ 19,174,991
Halifax County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	9.78%	21.88%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

HALIFAX COUNTY, NORTH CAROLINA

**HALIFAX COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS**

	Local Governmental Employees' Retirement System	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,439,526	\$ 1,438,766
Contributions in relation to the contractually required contribution	<u>1,439,526</u>	<u>1,438,766</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Halifax County's covered-employee payroll	\$ 20,409,317	\$ 20,433,406
Contributions as a percentage of covered-employee payroll	7.05%	7.04%

HALIFAX COUNTY, NORTH CAROLINA**HALIFAX COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund		
	2015	2014
Halifax County's proportion of the net pension liability (asset) (%)	0.42865%	0.40189%
Halifax County's proportion of the net pension liability (asset) (\$)	\$ (97,158)	\$ (85,844)
Halifax County's covered-employee payroll	\$ 243,554	\$ 238,270
Halifax County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-39.89%	-36.03%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

HALIFAX COUNTY, NORTH CAROLINA

HALIFAX COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST TWO FISCAL YEARS

Register of Deeds' Supplemental Pension Fund		
	2015	2014
Contractually required contribution	\$ 3,514	\$ 3,500
Contributions in relation to the contractually required contribution	<u>3,514</u>	<u>3,500</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Halifax County's covered-employee payroll	\$ 242,401	\$ 243,554
Contributions as a percentage of covered-employee payroll	1.45%	1.44%

THE GENERAL FUND

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



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HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ACTUAL-GENERAL FUND CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Public Health Fund	Social Services Fund	Management Services Fund	General Fund Total	Reassessment Fund	Total Consolidated General Fund
Revenues:							
Ad valorem taxes	\$ 24,785,670	\$ -	\$ -	\$ -	\$ 24,785,670	\$ -	\$ 24,785,670
Other taxes and licenses	7,716,600	-	-	-	7,716,600	-	7,716,600
Unrestricted intergovernmental revenues	385,800	-	-	-	385,800	-	385,800
Restricted intergovernmental revenues	2,316,129	4,182,580	10,437,662	550,264	17,486,635	-	17,486,635
Permits and fees	1,318,903	-	5,161	-	1,324,064	-	1,324,064
Sales and services	1,506,243	13,559	-	2,450,793	3,970,595	-	3,970,595
Investment earnings	29,477	-	-	-	29,477	346	29,823
Miscellaneous	346,497	5,117	-	2,710	354,324	-	354,324
Total revenues	<u>38,405,319</u>	<u>4,201,256</u>	<u>10,442,823</u>	<u>3,003,767</u>	<u>56,053,165</u>	<u>346</u>	<u>56,053,511</u>
Expenditures:							
General government	7,870,394	-	-	-	7,870,394	-	7,870,394
Public safety	8,387,478	-	-	4,878,444	13,265,922	-	13,265,922
Economic and physical development	975,352	-	-	-	975,352	-	975,352
Human services	1,227,472	5,964,937	14,193,925	-	21,386,334	-	21,386,334
Cultural and recreational	631,639	-	-	-	631,639	-	631,639
Education	8,068,342	-	-	-	8,068,342	-	8,068,342
Debt service:							
Principal	1,576,566	-	-	87,463	1,664,029	-	1,664,029
Interest	815,945	-	-	5,111	821,056	-	821,056
Total expenditures	<u>29,553,188</u>	<u>5,964,937</u>	<u>14,193,925</u>	<u>4,971,018</u>	<u>54,683,068</u>	<u>-</u>	<u>54,683,068</u>
Revenues over (under) expenditures	<u>8,852,131</u>	<u>(1,763,681)</u>	<u>(3,751,102)</u>	<u>(1,967,251)</u>	<u>1,370,097</u>	<u>346</u>	<u>1,370,443</u>
Other Financing Sources (Uses):							
Intrafund transfers	(9,658,455)	2,038,486	5,140,419	2,620,932	141,382	(141,382)	-
Transfers in:							
Internal Service Fund	246,500	-	-	-	246,500	-	246,500
Transfers out:							
Capital projects funds	(2,190,350)	-	-	-	(2,190,350)	-	(2,190,350)
Enterprise funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(11,427,014)</u>	<u>2,038,486</u>	<u>5,140,419</u>	<u>2,620,932</u>	<u>(1,627,177)</u>	<u>(141,382)</u>	<u>(1,768,559)</u>
Net change in fund balances	(2,574,883)	274,805	1,389,317	653,681	(257,080)	(141,036)	(398,116)
Fund Balance:							
Beginning of year - July 1	<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>	<u>888,375</u>	<u>27,111,500</u>
End of year - June 30	<u>\$ 17,065,099</u>	<u>\$ 4,367,998</u>	<u>\$ 2,776,255</u>	<u>\$ 1,756,693</u>	<u>\$ 25,966,045</u>	<u>\$ 747,339</u>	<u>\$ 26,713,384</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, 2015**

	General Fund	Public Health Fund	Social Services Fund	Emergency Management Services Fund	Total
Revenues:					
Ad valorem taxes	\$ 24,785,670	\$ -	\$ -	\$ -	\$ 24,785,670
Other taxes and licenses	7,716,600	-	-	-	7,716,600
Unrestricted intergovernmental revenues	385,800	-	-	-	385,800
Restricted intergovernmental revenues	2,316,129	4,182,580	10,437,662	550,264	17,486,635
Permits and fees	1,318,903	-	5,161	-	1,324,064
Sales and services	1,506,243	13,559	-	2,450,793	3,970,595
Investment earnings	29,477	-	-	-	29,477
Miscellaneous	346,497	5,117	-	2,710	354,324
Total revenues	<u>38,405,319</u>	<u>4,201,256</u>	<u>10,442,823</u>	<u>3,003,767</u>	<u>56,053,165</u>
Expenditures:					
General government	7,870,394	-	-	-	7,870,394
Public safety	8,387,478	-	-	4,878,444	13,265,922
Economic and physical development	975,352	-	-	-	975,352
Human services	1,227,472	5,964,937	14,193,925	-	21,386,334
Cultural and recreational	631,639	-	-	-	631,639
Education	8,068,342	-	-	-	8,068,342
Debt service:					
Principal	1,576,566	-	-	87,463	1,664,029
Interest	815,945	-	-	5,111	821,056
Total expenditures	<u>29,553,188</u>	<u>5,964,937</u>	<u>14,193,925</u>	<u>4,971,018</u>	<u>54,683,068</u>
Revenues over (under) expenditures	<u>8,852,131</u>	<u>(1,763,681)</u>	<u>(3,751,102)</u>	<u>(1,967,251)</u>	<u>1,370,097</u>
Other Financing Sources (Uses):					
Intrafund transfers in (out)	(9,658,455)	2,038,486	5,140,419	2,620,932	141,382
Transfers in:					
Internal Service Fund	246,500	-	-	-	246,500
Capital projects funds	175,291	-	-	-	175,291
Transfers out:					
Capital projects funds	<u>(2,190,350)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,190,350)</u>
Total other financing sources (uses)	<u>(11,427,014)</u>	<u>2,038,486</u>	<u>5,140,419</u>	<u>2,620,932</u>	<u>(1,627,177)</u>
Net change in fund balances	(2,574,883)	274,805	1,389,317	653,681	(257,080)
Fund Balance:					
Beginning of year - July 1	<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>
End of year - June 30	<u>\$ 17,065,099</u>	<u>\$ 4,367,998</u>	<u>\$ 2,776,255</u>	<u>\$ 1,756,693</u>	<u>\$ 25,966,045</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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 24,372,650	\$ 24,626,961	\$ 254,311	\$ 25,276,976
Penalties and interest	200,000	158,709	(41,291)	190,793
Total	24,572,650	24,785,670	213,020	25,467,769
Other Taxes and Licenses:				
Local option sales taxes	6,827,500	7,617,338	789,838	6,738,806
Cable franchise tax	116,000	99,262	(16,738)	118,430
Total	6,943,500	7,716,600	773,100	6,857,236
Unrestricted Intergovernmental:				
Fines and forfeitures	240,000	239,027	(973)	211,408
Beer and wine	-	146,773	146,773	136,343
Total	240,000	385,800	145,800	347,751
Restricted Intergovernmental:				
Federal and State grants	1,902,435	1,357,519	(544,916)	1,439,331
Lottery proceeds	514,200	439,536	(74,664)	316,601
Halifax ABC revenue	191,655	173,065	(18,590)	139,999
USDA commodity food	309,259	346,009	36,750	321,547
Total	2,917,549	2,316,129	(601,420)	2,217,478
Permits and Fees:				
Facility fees	70,000	68,455	(1,545)	69,425
Building inspection fees	143,400	142,697	(703)	130,761
Register of Deeds' fees	268,173	265,252	(2,921)	256,093
Other fees and rents	967,134	842,499	(124,635)	937,232
Total	1,448,707	1,318,903	(129,804)	1,393,511
Sales and Services:				
Occupancy tax administration	788,275	793,819	5,544	710,527
Jail fees	35,280	34,138	(1,142)	33,678
Central communications	334,193	334,193	-	189,833
Other sales and services	414,848	344,093	(70,755)	520,620
Total	1,572,596	1,506,243	(66,353)	1,454,658
Investment Earnings	14,000	29,477	15,477	55,908
Miscellaneous	355,861	346,497	(9,364)	308,331
Total revenues	38,064,863	38,405,319	340,456	38,102,642

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015		Variance Over/Under	2014
	Budget	Actual		Actual
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	96,522	89,680		88,695
Operating expenditures	78,395	76,101		72,314
Total	174,917	165,781	9,136	161,009
Administration:				
Salaries and employee benefits	531,802	519,312		497,063
Operating expenditures	36,653	29,466		33,609
Total	568,455	548,778	19,677	530,672
Human resources:				
Salaries and employee benefits	300,021	295,344		266,474
Operating expenditures	11,904	9,371		14,249
Total	311,925	304,715	7,210	280,723
Non-departmental expenditures:				
Operating expenditures	1,888,443	1,357,011		1,732,460
Capital outlay	1,132,500	1,131,874		619,762
Total	3,020,943	2,488,885	532,058	2,352,222
Finance:				
Salaries and employee benefits	406,956	406,956		395,781
Operating expenditures	25,747	22,088		26,263
Total	432,703	429,044	3,659	422,044
Tax administration:				
Salaries and employee benefits	942,377	918,559		908,809
Operating expenditures	213,496	148,456		166,360
Capital outlay	-	-		4,152
Total	1,155,873	1,067,015	88,858	1,079,321
Revaluation:				
Salaries and employee benefits	301,348	118,864		217,632
Operating expenditures	183,006	31,814		40,236
Capital outlay	-	-		36,802
Total	484,354	150,678	333,676	294,670

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Legal:				
Salaries and employee benefits	186,020	184,824		194,590
Operating expenditures	28,814	13,625		78,605
Total	214,834	198,449	16,385	273,195
Elections:				
Salaries and employee benefits	129,762	114,579		124,386
Operating expenditures	69,460	63,253		70,161
Total	199,222	177,832	21,390	194,547
Register of Deeds:				
Salaries and employee benefits	314,430	311,213		319,592
Operating expenditures	86,717	82,971		67,615
Capital outlay	23,200	19,656		8,902
Total	424,347	413,840	10,507	396,109
Information technology services:				
Salaries and employee benefits	225,290	181,951		144,358
Operating expenditures	185,389	174,756		134,128
Capital outlay	-	-		10,032
Total	410,679	356,707	53,972	288,518
Maintenance and repairs - public buildings:				
Operating expenditures	364,465	360,915		398,366
Capital outlay	6,950	6,950		97,420
Total	371,415	367,865	3,550	495,786
Operations:				
Salaries and employee benefits	806,682	773,056		789,430
Operating expenditures	80,892	74,850		85,271
Total	887,574	847,906	39,668	874,701
Other general government:				
Fuel center	3,092	2,842	250	2,379
Judicial services	17,219	13,088	4,131	11,070
Magistrates	7,940	7,940	-	7,940
Public buildings	9,732	9,732	-	9,411
Historic courthouse	127,505	125,162	2,343	121,290
Building C	-	-	-	28
Criminal justice building	9,318	9,318	-	8,765
Permits and inspections	8,722	8,199	523	11,184

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Community corrections building	13,970	13,824	146	17,806
Littleton building	279	279	-	477
Court service	91,222	90,967	255	89,452
Rural Life complex	16,016	15,310	706	19,255
Agriculture complex	37,238	37,238	-	38,025
Public intern program	-	-	-	3,722
CADA	38,000	19,000	19,000	48,150
Total	380,253	352,899	27,354	388,954
Total general government	9,037,494	7,870,394	1,167,100	8,032,471
Public Safety:				
Sheriff's department:				
Salaries and employee benefits	3,556,789	3,515,284		3,410,002
Operating expenditures	765,351	753,772		778,715
Capital outlay	127,045	122,930		114,325
Total	4,449,185	4,391,986	57,199	4,303,042
Jail:				
Salaries and employee benefits	1,210,710	1,186,159		1,076,654
Operating expenditures	1,034,688	1,015,946		973,886
Capital outlay	107,990	7,730		-
Total	2,353,388	2,209,835	143,553	2,050,540
Emergency management:				
Salaries and employee benefits	57,115	56,532		56,047
Operating expenditures	16,636	14,607		15,472
Total	73,751	71,139	2,612	71,519
Central communications:				
Salaries and employee benefits	1,046,541	1,035,201		1,034,435
Operating expenditures	67,023	51,444		2,061
Total	1,113,564	1,086,645	26,919	1,036,496
Donations:				
Fire departments and rescue squads	79,000	79,000		79,000
Total	79,000	79,000	-	79,000
Planning and inspections:				
Salaries and employee benefits	363,002	353,543		345,792
Operating expenditures	47,856	28,483		26,502
Total	410,858	382,026	28,832	372,294

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Other public safety:				
Coroner	30,000	25,300	4,700	31,100
Other donations	17,500	17,500	-	10,000
Controlled substance tax expenditures	45,000	18,785	26,215	101,838
Drug task force expenditures	18,000	-	18,000	5,000
DTF - federal asset forfeiture	130,680	58,366	72,314	-
Emergency management supplement	97,727	34,471	63,256	15,217
Sheriff Bulletproof Vest grant	2,155	-	2,155	4,496
Homeland Security Waterway Exercise grant	6,000	-	6,000	-
Justice Assistant grant	327	-	327	12,100
Edward Byrne Memorial JA grant	12,458	12,425	33	-
Total	<u>359,847</u>	<u>166,847</u>	<u>193,000</u>	<u>179,751</u>
Total public safety	<u>8,839,593</u>	<u>8,387,478</u>	<u>452,115</u>	<u>8,092,642</u>
Economic and Physical Development:				
Halifax developmental commission:				
Salaries and employee benefits	165,511	165,465		161,140
Operating expenditures	<u>88,379</u>	<u>79,251</u>		<u>67,624</u>
Total	<u>253,890</u>	<u>244,716</u>	<u>9,174</u>	<u>228,764</u>
Tourism:				
Salaries and employee benefits	<u>4,613</u>	<u>4,613</u>		<u>4,434</u>
Total	<u>4,613</u>	<u>4,613</u>	<u>-</u>	<u>4,434</u>
Cooperative extension office:				
Salaries and employee benefits	220,329	193,205		192,325
Operating expenditures	<u>46,488</u>	<u>37,086</u>		<u>35,169</u>
Total	<u>266,817</u>	<u>230,291</u>	<u>36,526</u>	<u>227,494</u>
Rural life education:				
Salaries and employee benefits	44,899	42,164		40,546
Operating expenditures	<u>15,716</u>	<u>15,271</u>		<u>18,486</u>
Total	<u>60,615</u>	<u>57,435</u>	<u>3,180</u>	<u>59,032</u>
Natural resource conservation:				
Salaries and employee benefits	145,521	123,748		144,360
Operating expenditures	<u>15,585</u>	<u>13,852</u>		<u>9,165</u>
Total	<u>161,106</u>	<u>137,600</u>	<u>23,506</u>	<u>153,525</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Other economic and physical development:				
4-H clubs	33,960	26,302	7,658	16,639
County extension	22,235	5,675	16,560	2,168
Extension agent program	30,433	10,566	19,867	7,905
Boards and commissions	7,398	2,072	5,326	1,671
Forestry protection	96,213	92,927	3,286	91,009
Other donations	19,500	19,500	-	25,620
No-Till Drill program	5,096	2,215	2,881	-
CREP	13,776	-	13,776	1,950
Halifax Helps grant	1,325	-	1,325	-
Soil Health program	5,610	2,976	2,634	-
Market-Based Conservation Initiative program	10,725	-	10,725	-
Co-op Monsanto grant	2,250	-	2,250	-
Economic development incentive	1,534,565	134,915	1,399,650	42,345
Farmers Market	3,771	3,549	222	3,808
Natural Resource Equipment grant	59,219	-	59,219	-
Farm in Ranchland management	12,000	-	12,000	-
Total	<u>1,858,076</u>	<u>300,697</u>	<u>1,557,379</u>	<u>193,115</u>
Total economic and physical development	<u>2,605,117</u>	<u>975,352</u>	<u>1,629,765</u>	<u>866,364</u>
Human Services:				
Elderly transportation:				
Operating expenses	<u>150,165</u>	<u>150,149</u>		<u>172,288</u>
Total	<u>150,165</u>	<u>150,149</u>	<u>16</u>	<u>172,288</u>
Supplemental foods:				
Salaries and employee benefits	173,708	127,389		157,585
Operating expenditures	39,048	30,797		27,508
USDA commodity foods	<u>264,505</u>	<u>264,420</u>		<u>323,317</u>
Total	<u>477,261</u>	<u>422,606</u>	<u>54,655</u>	<u>508,410</u>
Other human services:				
Mental health admin	32,855	32,855	-	27,966
Operation Restart	158,200	158,112	88	163,529
JCPC Advisory Board	1,800	1,800	-	2,829
JCPC grant	49,777	47,002	2,775	39,634
SHIIP-MIPPA grant	13,152	2,204	10,948	931
SHIIP grant	-	-	-	2,470
Other donations	1,500	1,500	-	1,500
MHRC Rural Hope grant	-	-	-	117,389
Pesticide recycling	6,709	-	6,709	-

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Home and Community Block grant	300,690	297,549	3,141	329,668
Council On Aging	18,237	18,231	6	21,743
Phoenix Center	2,848	2,794	54	-
Public Workstation grant	2,877	2,844	33	-
Bulletproof Vest grant	4,430	-	4,430	-
Regional Hazard Mitigation plan	34,500	-	34,500	-
Teen court	52,100	22,900	29,200	41,101
Co-op student incentive	66,995	66,926	69	71,127
Total	746,670	654,717	91,953	819,887
Total human services	1,374,096	1,227,472	146,624	1,500,585
Cultural and Recreational:				
Library:				
Salaries and employee benefits	489,604	482,517		500,128
Operating expenditures	104,815	91,622		118,161
Total	594,419	574,139	20,280	618,289
Other cultural and recreational:				
Other donations	1,000	1,000		-
Rec Network Master plan	7,286	6,500		43,564
Weed control	50,000	50,000		50,000
Total	58,286	57,500	786	93,564
Total cultural and recreational	652,705	631,639	21,066	711,853
Education:				
Public schools - current expenses	5,559,232	5,533,846		5,486,725
Public schools - capital outlay	2,200,742	846,852		664,556
Community colleges - current expenses	1,069,572	1,069,572		943,522
Community colleges - capital outlay	69,027	69,027		434,318
ADM - Public School Building Fund	1,097,202	549,045		308,799
Total education	9,995,775	8,068,342	1,927,433	7,837,920
Debt Service:				
Principal	1,795,783	1,576,566		1,715,003
Interest	793,529	815,945		849,500
Total debt service	2,589,312	2,392,511	196,801	2,564,503
Total expenditures	35,094,092	29,553,188	5,540,904	29,606,338
Revenues over (under) expenditures	2,970,771	8,852,131	5,881,360	8,496,304

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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(9,658,455)	(9,658,455)	-	(8,670,630)
Transfers in:				
Internal Service Fund	246,500	246,500	-	225,000
Capital Project Fund				
Capital Projects Fund	175,291	175,291	-	1,067,222
Transfers out:				
Capital Projects Fund	(2,190,350)	(2,190,350)	-	(4,474,827)
Installment purchase obligations issued	-	-	-	450,000
Appropriated fund balance	8,456,243	-	(8,456,243)	-
Total other financing sources (uses)	<u>(2,970,771)</u>	<u>(11,427,014)</u>	<u>(8,456,243)</u>	<u>(11,403,235)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,574,883)</u>	<u>\$ (2,574,883)</u>	<u>(2,906,931)</u>
Fund Balance:				
Beginning of year - July 1		<u>19,639,982</u>		<u>22,546,913</u>
End of year - June 30		<u>\$ 17,065,099</u>		<u>\$ 19,639,982</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 4,384,571	\$ 4,182,580	\$ (201,991)	\$ 4,304,429
Sales and services	1,064,950	13,559	(1,051,391)	16,558
Miscellaneous revenue	10,000	5,117	(4,883)	15,841
Total revenues	5,459,521	4,201,256	(1,258,265)	4,336,828
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	414,985	182,600		199,452
Operating expenditures	584,595	123,244		115,821
Capital outlay	7,000	1,000		-
Total	1,006,580	306,844	699,736	315,273
Animal control:				
Salaries and employee benefits	153,115	152,985		160,604
Operating expenditures	57,108	55,374		47,566
Capital outlay	1,711	1,711		700
Total	211,934	210,070	1,864	208,870
AIDS control:				
Salaries and employee benefits	244,819	243,641		235,631
Operating expenditures	3,400	2,217		497
Total	248,219	245,858	2,361	236,128
Tuberculosis control:				
Salaries and employee benefits	92,384	58,002		71,962
Operating expenditures	133,121	35,389		15,825
Capital outlay	13,000	1,500		2,000
Total	238,505	94,891	143,614	89,787
CDC Tuberculosis:				
Salaries and employee benefits	32,202	29,885		32,778
Total	32,202	29,885	2,317	32,778

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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		Variance Over/(Under)	2014
	Budget	Actual		Actual
Communicable disease:				
Salaries and employee benefits	29,902	26,971		26,303
Operating expenditures	72,608	4,991		5,198
Capital outlay	3,000	1,500		2,000
Total	105,510	33,462	72,048	33,501
Home health:				
Salaries and employee benefits	702,097	602,906		637,083
Operating expenditures	554,205	521,916		466,483
Capital outlay	11,500	11,500		-
Total	1,267,802	1,136,322	131,480	1,103,566
Hospice:				
Salaries and employee benefits	290,883	290,083		328,138
Operating expenditures	126,255	110,307		120,076
Capital outlay	9,200	2,159		10,029
Total	426,338	402,549	23,789	458,243
Adult health/diabetes:				
Salaries and employee benefits	86,504	57,277		76,367
Operating expenditures	181,120	69,691		61,956
Total	267,624	126,968	140,656	138,323
Maternity:				
Salaries and employee benefits	291,851	247,332		284,310
Operating expenditures	887,249	82,552		67,693
Capital outlay	10,000	10,000		-
Total	1,189,100	339,884	849,216	352,003
Family planning:				
Salaries and employee benefits	482,446	382,255		459,969
Operating expenditures	833,586	139,277		124,452
Capital outlay	26,305	25,268		-
Total	1,342,337	546,800	795,537	584,421
Child services coordinator:				
Salaries and employee benefits	139,841	98,490		140,232
Operating expenditures	224,086	3,355		8,101
Total	363,927	101,845	262,082	148,333

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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015		Variance Over/(Under)	2014
	Budget	Actual		Actual
Child health:				
Salaries and employee benefits	431,247	247,468		381,326
Operating expenditures	225,919	90,920		72,296
Capital outlay	14,000	12,963		-
Total	671,166	351,351	319,815	453,622
Environmental health:				
Salaries and employee benefits	490,974	490,974		460,010
Operating expenditures	18,483	18,483		16,337
Total	509,457	509,457	-	476,347
Other human services:				
Bioterrorism	52,912	52,912	-	43,809
Carolina behavioral	-	-	-	11,770
Triple P	217,738	194,053	23,685	168,930
Diabetes	31,975	18,946	13,029	37,146
BCCCP	47,689	18,947	28,742	16,518
CVD/Breast cancer	38,184	7,167	31,017	3,051
Folic Acid grant	178,084	173,614	4,470	201,437
Immunization action plan	109,322	93,054	16,268	91,160
Baby Love Plus	136,719	136,717	2	93,905
Health working and wellness	37,726	32,206	5,520	28,090
Transformation Grant	5,606	5,606	-	24,628
Transformation Grant	-	-	-	15,000
Health-mosquito control	-	-	-	8,000
Weldon SNFI school nurse	100,000	100,000	-	100,000
RR SNFI school nurse	150,000	150,000	-	150,000
PREPARE Grant	106,092	102,006	-	110,610
Closing the Gap Grant	1,000	1,000	-	-
Susan Komen Grant	-	-	-	696
Healthy community program	35,888	35,888	-	20,621
Community health assessment	24,392	19,406	4,986	238
NC cancer program	74,059	72,252	1,807	5,218
BCBS foundation	15,000	7,929	7,071	-
Walk in Faith grant	21,550	13,765	7,785	-

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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/(Under)	Actual
Catch grant	219,778	191,617	28,161	-
Interpreter services	37,782	4,343	33,439	-
Lazarus	10,000	-	10,000	-
Serve Safe	2,275	1,568	707	-
DERP	75,060	75,060	-	-
Capital outlay - child and environmental health	50,920	20,695	30,225	-
Total	<u>1,779,751</u>	<u>1,528,751</u>	<u>246,914</u>	<u>1,130,827</u>
Total human services	<u>9,660,452</u>	<u>5,964,937</u>	<u>3,695,515</u>	<u>5,762,022</u>
Revenues over (under) expenditures	<u>(4,200,931)</u>	<u>(1,763,681)</u>	<u>2,437,250</u>	<u>(1,425,194)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,038,486	2,038,486	-	1,828,046
Appropriated fund balance	<u>2,162,445</u>	<u>-</u>	<u>(2,162,445)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,200,931</u>	<u>2,038,486</u>	<u>(2,162,445)</u>	<u>1,828,046</u>
Net change in fund balance	<u>\$ -</u>	<u>274,805</u>	<u>\$ 274,805</u>	<u>402,852</u>
Fund Balance:				
Beginning of year - July 1		<u>4,093,193</u>		<u>3,690,341</u>
End of year - June 30		<u>\$ 4,367,998</u>		<u>\$ 4,093,193</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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 10,799,181	\$ 10,437,662	\$ (361,519)	\$ 9,573,520
Permits and fees	-	5,161	5,161	4,106
Total revenues	<u>10,799,181</u>	<u>10,442,823</u>	<u>(356,358)</u>	<u>9,577,626</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	8,403,096	8,053,785		8,018,693
Operating expenditures	1,387,529	749,783		661,903
Capital outlay	34,005	18,104		20,595
Total	<u>9,824,630</u>	<u>8,821,672</u>	<u>1,002,958</u>	<u>8,701,191</u>
Other human services:				
Fees and refunds	34,176	10,363	23,813	14,280
Family planning	10,000	7,834	2,166	8,334
Chore services	31,164	31,164	-	274,463
Daycare	2,355,450	2,272,452	82,998	2,228,393
Work First	355,896	214,361	141,535	209,733
Purchased services	71,459	55,266	16,193	44,660
4D-purchase	6,000	6,000	-	-
Medicaid	685,227	497,068	188,159	468,125
Social services to the aged	852,562	689,380	163,182	829,913
CBA foster care	385,558	260,383	125,175	436,181
Adoptive assistance	117,843	117,843	-	89,618
LIEAP program	515,475	515,109	366	546,300
Crisis intervention	343,109	343,033	76	351,258
CP&L energy	5,594	638	4,956	1,143
Special foster care	25,000	6,864	18,136	12,218
Home and Community Care Block grant	337,704	336,460	1,244	-
Family reunification	7,697	1,350	6,347	-
Aid to the blind	7,258	6,685	573	6,969
Total	<u>6,147,172</u>	<u>5,372,253</u>	<u>774,919</u>	<u>5,521,588</u>
Total human services	<u>15,971,802</u>	<u>14,193,925</u>	<u>1,777,877</u>	<u>14,222,779</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2015</u>			<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues over (under) expenditures	<u>(5,172,621)</u>	<u>(3,751,102)</u>	<u>1,421,519</u>	<u>(4,645,153)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	5,140,419	5,140,419	-	4,749,617
Appropriated fund balance	<u>32,202</u>	<u>-</u>	<u>(32,202)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,172,621</u>	<u>5,140,419</u>	<u>(32,202)</u>	<u>4,749,617</u>
Net change in fund balance	<u>\$ -</u>	1,389,317	<u>\$ 1,389,317</u>	104,464
Fund Balance:				
Beginning of year - July 1		<u>1,386,938</u>		<u>1,282,474</u>
End of year - June 30		<u>\$ 2,776,255</u>		<u>\$ 1,386,938</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, 2015
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 1,200	\$ -	\$ (1,200)	\$ 559
Restricted intergovernmental revenues	218,343	550,264	331,921	355,033
Sales and services	2,496,976	2,450,793	(46,183)	2,572,260
Miscellaneous revenue	2,464	2,710	246	5,139
Total revenues	<u>2,718,983</u>	<u>3,003,767</u>	<u>284,784</u>	<u>2,932,991</u>
Expenditures:				
Public Safety:				
General:				
Salaries and employee benefits	4,095,030	3,992,056		3,950,174
Operating expenditures	923,075	783,459		830,735
Capital outlay	230,000	102,929		273,081
Total	<u>5,248,105</u>	<u>4,878,444</u>	<u>369,661</u>	<u>5,053,990</u>
Debt Service:				
Principal	180,040	87,463		204,742
Interest	5,112	5,111		4,722
Total debt service	<u>185,152</u>	<u>92,574</u>	<u>92,578</u>	<u>209,464</u>
Total expenditures	<u>5,433,257</u>	<u>4,971,018</u>	<u>462,239</u>	<u>5,263,454</u>
Revenues over (under) expenditures	<u>(2,714,274)</u>	<u>(1,967,251)</u>	<u>(747,023)</u>	<u>(2,330,463)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,620,932	2,620,932	-	2,268,953
Appropriated fund balance	93,342	-	(93,342)	-
Total other financing sources (uses)	<u>2,714,274</u>	<u>2,620,932</u>	<u>(93,342)</u>	<u>2,268,953</u>
Net change in fund balance	<u>\$ -</u>	<u>653,681</u>	<u>\$ 653,681</u>	<u>(61,510)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,103,012</u>		<u>1,164,522</u>
End of year - June 30		<u>\$ 1,756,693</u>		<u>\$ 1,103,012</u>



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COMBINING STATEMENTS FOR NONMAJOR FUNDS



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HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 490,661	\$ 2,322,927	\$ 2,813,588
Accounts receivable	163,555	67,081	230,636
Due from other governments	10,287	2,869	13,156
Taxes receivable, net	254,085	-	254,085
Total assets	\$ 918,588	\$ 2,392,877	\$ 3,311,465
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 167,797	\$ 86,578	\$ 254,375
Due to other funds	-	1,549,870	1,549,870
Total liabilities	167,797	1,636,448	1,804,245
Deferred Inflows of Resources:			
Taxes receivable	254,085	-	254,085
Total deferred inflows of resources	254,085	-	254,085
Fund Balances:			
Restricted:			
Stabilization by State statute	173,842	69,950	243,792
Public safety	459,830	-	459,830
Economic development	-	10,029	10,029
Education	-	1,130,856	1,130,856
Committed	-	145,595	145,595
Unassigned	(136,966)	(600,001)	(736,967)
Total fund balances	496,706	756,429	1,253,135
Total liabilities, deferred inflows of resources, and fund balances	\$ 918,588	\$ 2,392,877	\$ 3,311,465

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,800,635	\$ -	\$ 4,800,635
Other taxes and licenses	544,150	-	544,150
Restricted intergovernmental revenues	623,138	642,390	1,265,528
Miscellaneous	-	87,049	87,049
Investment earnings	7,037	30	7,067
Total revenues	<u>5,974,960</u>	<u>729,469</u>	<u>6,704,429</u>
Expenditures:			
Current:			
Public safety	1,850,422	199,653	2,050,075
Education	3,369,180	-	3,369,180
Economic and physical development	298,566	1,708,312	2,006,878
Human services	461,808	-	461,808
Total expenditures	<u>5,979,976</u>	<u>1,907,965</u>	<u>7,887,941</u>
Revenues over (under) expenditures	<u>(5,016)</u>	<u>(1,178,496)</u>	<u>(1,183,512)</u>
Other Financing Sources (Uses):			
Transfers in	-	2,190,350	2,190,350
Transfers out	-	(175,291)	(175,291)
Total other financing sources (uses)	<u>-</u>	<u>2,015,059</u>	<u>2,015,059</u>
Net change in fund balances	(5,016)	836,563	831,547
Fund Balances:			
Beginning of year - July 1	<u>501,722</u>	<u>(80,134)</u>	<u>421,588</u>
End of year - June 30	<u>\$ 496,706</u>	<u>\$ 756,429</u>	<u>\$ 1,253,135</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, 2015

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Assets:				
Cash and cash equivalents	\$ 460,203	\$ 3,882	\$ 7,151	\$ 8,503
Accounts receivable	27,048	15,913	48,698	53,925
Due from other governments	10,287	-	-	-
Taxes receivable, net	<u>-</u>	<u>37,070</u>	<u>80,294</u>	<u>89,484</u>
Total assets	<u>\$ 497,538</u>	<u>\$ 56,865</u>	<u>\$ 136,143</u>	<u>\$ 151,912</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ 373</u>	<u>\$ 19,795</u>	<u>\$ 55,849</u>	<u>\$ 62,428</u>
Total liabilities	<u>373</u>	<u>19,795</u>	<u>55,849</u>	<u>62,428</u>
Deferred Inflows of Resources:				
Taxes receivable	<u>-</u>	<u>37,070</u>	<u>80,294</u>	<u>89,484</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	37,335	15,913	48,698	53,925
Public safety	459,830	-	-	-
Unassigned	<u>-</u>	<u>(15,913)</u>	<u>(48,698)</u>	<u>(53,925)</u>
Total fund balances	<u>497,165</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 497,538</u>	<u>\$ 56,865</u>	<u>\$ 136,143</u>	<u>\$ 151,912</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Roanoke Rapids School Graded District Fund	Project Budget		Total
		CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
Assets:				
Cash and cash equivalents	\$ 10,922	\$ -	\$ -	\$ 490,661
Accounts receivable	17,971	-	-	163,555
Due from other governments	-	-	-	10,287
Taxes receivable, net	47,237	-	-	254,085
Total assets	<u>\$ 76,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 918,588</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 28,893	\$ -	\$ 459	\$ 167,797
Total liabilities	<u>28,893</u>	<u>-</u>	<u>459</u>	<u>167,797</u>
Deferred Inflows of Resources:				
Taxes receivable	<u>47,237</u>	<u>-</u>	<u>-</u>	<u>254,085</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	17,971	-	-	173,842
Public safety	-	-	-	459,830
Unassigned	(17,971)	-	(459)	(136,966)
Total fund balances	<u>-</u>	<u>-</u>	<u>(459)</u>	<u>496,706</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 76,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 918,588</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, 2015**

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Revenues:				
Ad valorem taxes	\$ -	\$ 390,938	\$ 1,283,150	\$ 1,286,246
Other taxes and licenses	-	70,870	238,879	234,401
Restricted intergovernmental	324,572	-	-	-
Investment earnings	187	-	-	-
Total revenues	<u>324,759</u>	<u>461,808</u>	<u>1,522,029</u>	<u>1,520,647</u>
Expenditures:				
Public safety	329,775	-	-	1,520,647
Economic and physical development	-	-	-	-
Human services	-	461,808	-	-
Education	-	-	1,522,029	-
Total expenditures	<u>329,775</u>	<u>461,808</u>	<u>1,522,029</u>	<u>1,520,647</u>
Net change in fund balances	(5,016)	-	-	-
Fund Balances:				
Beginning of year - July 1	<u>502,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 497,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015**

	Roanoke Rapids School Graded District Fund	Project Budget		Total
		CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
Revenues:				
Ad valorem taxes	\$ 1,840,301	\$ -	\$ -	\$ 4,800,635
Other taxes and licenses	-	-	-	544,150
Restricted intergovernmental	-	298,566	-	623,138
Investment earnings	6,850	-	-	7,037
Total revenues	<u>1,847,151</u>	<u>298,566</u>	<u>-</u>	<u>5,974,960</u>
Expenditures:				
Public safety	-	-	-	1,850,422
Economic and physical development	-	298,566	-	298,566
Human services	-	-	-	461,808
Education	1,847,151	-	-	3,369,180
Total expenditures	<u>1,847,151</u>	<u>298,566</u>	<u>-</u>	<u>5,979,976</u>
Net change in fund balances	-	-	-	(5,016)
Fund Balances:				
Beginning of year - July 1	-	-	(459)	501,722
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (459)</u>	<u>\$ 496,706</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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Wireless funding	\$ 415,000	\$ 324,572	\$ (90,428)	\$ 418,533
Investment earnings	-	187	187	243
Total revenues	<u>415,000</u>	<u>324,759</u>	<u>(90,241)</u>	<u>418,776</u>
Expenditures:				
Public safety:				
Telephone and furniture		155,511		145,087
Software maintenance		87,296		26,773
Hardware maintenance		54,718		167,613
Training		32,250		9,834
Total expenditures	<u>415,000</u>	<u>329,775</u>	<u>85,225</u>	<u>349,307</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,016)</u>	<u>\$ (5,016)</u>	69,469
Fund Balance:				
Beginning of year - July 1		<u>502,181</u>		<u>432,712</u>
End of year - June 30		<u>\$ 497,165</u>		<u>\$ 502,181</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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 544,661	\$ 390,938	\$ (153,723)	\$ 399,794
Local option sales tax	71,000	70,870	(130)	61,332
Total revenues	<u>615,661</u>	<u>461,808</u>	<u>(153,853)</u>	<u>461,126</u>
Expenditures:				
Human services:				
Our Community Hospital	<u>615,661</u>	<u>461,808</u>	<u>153,853</u>	<u>461,126</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, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,830,271	\$ 1,283,150	\$ (547,121)	\$ 1,292,145
Local option sales tax	239,300	238,879	(421)	206,442
Total revenues	<u>2,069,571</u>	<u>1,522,029</u>	<u>(547,542)</u>	<u>1,498,587</u>
Expenditures:				
Education:				
Payments to school district	<u>2,069,571</u>	<u>1,522,029</u>	<u>547,542</u>	<u>1,498,587</u>
Total expenditures	<u>2,069,571</u>	<u>1,522,029</u>	<u>547,542</u>	<u>1,498,587</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,854,449	\$ 1,286,246	\$ (568,203)	\$ 1,318,941
Local option sales tax	234,754	234,401	(353)	204,551
Total revenues	<u>2,089,203</u>	<u>1,520,647</u>	<u>(568,556)</u>	<u>1,523,492</u>
Expenditures:				
Current:				
Public safety:				
Payments to fire districts	<u>2,089,203</u>	<u>1,520,647</u>	<u>568,556</u>	<u>1,523,492</u>
Total expenditures	<u>2,089,203</u>	<u>1,520,647</u>	<u>568,556</u>	<u>1,523,492</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

ROANOKE RAPIDS SCHOOL GRADED DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 2,712,047	\$ 1,840,301	\$ (871,746)	\$ 1,907,801
Interest	10,000	6,850	(3,150)	9,877
Total revenues	<u>2,722,047</u>	<u>1,847,151</u>	<u>(874,896)</u>	<u>1,917,678</u>
Expenditures:				
Education:				
Payments to school district	<u>2,722,047</u>	<u>1,847,151</u>	<u>874,896</u>	<u>1,917,678</u>
Total expenditures	<u>2,722,047</u>	<u>1,847,151</u>	<u>874,896</u>	<u>1,917,678</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, 2015

	<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	\$ 20,381	\$ 298,566	\$ 318,947	\$ (81,053)
Total revenues	<u>400,000</u>	<u>20,381</u>	<u>298,566</u>	<u>318,947</u>	<u>(81,053)</u>
Expenditures:					
Economic and physical development:					
Administration	39,999	17,731	6,530	24,261	15,738
Rehabilitation	260,358	2,650	192,693	195,343	65,015
Relocation	99,643	-	99,343	99,343	300
Total expenditures	<u>400,000</u>	<u>20,381</u>	<u>298,566</u>	<u>318,947</u>	<u>81,053</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, 2015

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

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

Manning Elementary School Design– This fund is used for the design and engineering costs for Manning Elementary School.

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

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, 2015

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Piezotronics Project</u>	<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>
Assets:				
Cash and cash equivalents	\$ 66,882	\$ -	\$ 130,856	\$ -
Accounts receivable	67,081	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 133,963</u>	<u>\$ -</u>	<u>\$ 130,856</u>	<u>\$ -</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 56,853	\$ -	\$ -	\$ -
Due to other funds	-	600,001	-	-
Total liabilities	<u>56,853</u>	<u>600,001</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	67,081	-	-	-
Economic development	10,029	-	-	-
Education	-	-	130,856	-
Committed:				
Economic development	-	-	-	-
Unassigned	-	(600,001)	-	-
Total fund balances	<u>77,110</u>	<u>(600,001)</u>	<u>130,856</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 133,963</u>	<u>\$ -</u>	<u>\$ 130,856</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Manning Elementary School Design	Project Freebird	Klausner Lumber Two Project	Total
Assets:				
Cash and cash equivalents	\$ 1,000,000	\$ 49,662	\$ 1,075,527	\$ 2,322,927
Accounts receivable	-	-	-	67,081
Due from other governments	-	-	2,869	2,869
Total assets	<u>\$ 1,000,000</u>	<u>\$ 49,662</u>	<u>\$ 1,078,396</u>	<u>\$ 2,392,877</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 29,725	\$ -	\$ 86,578
Due to other funds	-	-	949,869	1,549,870
Total liabilities	<u>-</u>	<u>29,725</u>	<u>949,869</u>	<u>1,636,448</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	-	-	2,869	69,950
Economic development	-	-	-	10,029
Education	1,000,000	-	-	1,130,856
Committed:				
Economic development	-	19,937	125,658	145,595
Unassigned	-	-	-	(600,001)
Total fund balances	<u>1,000,000</u>	<u>19,937</u>	<u>128,527</u>	<u>756,429</u>
Total liabilities and fund balances	<u>\$ 1,000,000</u>	<u>\$ 49,662</u>	<u>\$ 1,078,396</u>	<u>\$ 2,392,877</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, 2015

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Piezotronics Project</u>	<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>
Revenues:				
Restricted intergovernmental Contributions	\$ 115,621	\$ -	\$ -	\$ -
Investment earnings	-	-	30	-
Total revenues	<u>115,621</u>	<u>-</u>	<u>30</u>	<u>-</u>
Expenditures:				
Public safety	-	-	-	199,653
Economic and physical development	110,755	-	-	-
Total expenditures	<u>110,755</u>	<u>-</u>	<u>-</u>	<u>199,653</u>
Revenues over (under) expenditures	<u>4,866</u>	<u>-</u>	<u>30</u>	<u>(199,653)</u>
Other Financing Sources (Uses):				
Transfers in:				
General Fund	-	-	-	884,220
Special Revenue Fund	-	-	-	-
Transfers out:				
General Fund	-	-	-	(175,291)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,929</u>
Net change in fund balances	4,866	-	30	509,276
Fund Balances:				
Beginning of year - July 1	<u>72,244</u>	<u>(600,001)</u>	<u>130,826</u>	<u>(509,276)</u>
End of year - June 30	<u>\$ 77,110</u>	<u>\$ (600,001)</u>	<u>\$ 130,856</u>	<u>\$ -</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, 2015

	<u>Manning Elementary School Design</u>	<u>Project Freebird</u>	<u>Klausner Lumber Two Project</u>	<u>Total</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ 526,769	\$ 642,390
Contributions	-	-	87,049	87,049
Investment earnings	-	-	-	30
Total revenues	<u>-</u>	<u>-</u>	<u>613,818</u>	<u>729,469</u>
Expenditures:				
Public safety	-	-	-	199,653
Economic and physical development	-	59,813	1,537,744	1,708,312
Total expenditures	<u>-</u>	<u>59,813</u>	<u>1,537,744</u>	<u>1,907,965</u>
Revenues over (under) expenditures	<u>-</u>	<u>(59,813)</u>	<u>(923,926)</u>	<u>(1,178,496)</u>
Other Financing Sources (Uses):				
Transfers in:				
General Fund	-	79,750	226,380	1,190,350
Special Revenue Fund	1,000,000	-	-	1,000,000
Transfers out:				
General Fund	-	-	-	(175,291)
Total other financing sources (uses)	<u>1,000,000</u>	<u>79,750</u>	<u>226,380</u>	<u>2,015,059</u>
Net change in fund balances	1,000,000	19,937	(697,546)	836,563
Fund Balances:				
Beginning of year - July 1	<u>-</u>	<u>-</u>	<u>826,073</u>	<u>(80,134)</u>
End of year - June 30	<u>\$ 1,000,000</u>	<u>\$ 19,937</u>	<u>\$ 128,527</u>	<u>\$ 756,429</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014**

	2015			2014
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 115,624	\$ 115,621	\$ (3)	\$ 115,185
Expenditures:				
Economic development	115,624	110,755	4,869	110,616
Total expenditures	115,624	110,755	4,869	110,616
Net change in fund balance	\$ -	4,866	\$ 4,866	4,569
Fund Balance:				
Beginning of year - July 1		72,244		67,675
End of year - June 30		\$ 77,110		\$ 72,244

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, 2015

	<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:					
Contributions	\$ 1,852,000	\$ 1,252,000	\$ -	\$ 1,252,000	\$ (600,000)
Miscellaneous	198,119	116,262	-	116,262	(81,857)
Total revenues	<u>2,050,119</u>	<u>1,368,262</u>	<u>-</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	2,423,352	2,342,101	-	2,342,101	81,251
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>(1,128,724)</u>	<u>-</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	(51,965)	(51,965)	-	(51,965)	-
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>\$ (600,001)</u>	<u>\$ -</u>	<u>\$ (600,001)</u>	<u>\$ (600,001)</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, 2015**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Education:					
Administration	\$ 2,334	\$ 1,209	\$ 1,003	\$ 2,212	\$ 122
Professional services	888,737	484,737	198,650	683,387	205,350
Construction	23,330	23,330	-	23,330	-
Contingency	708,929	-	-	-	708,929
Total expenditures	<u>1,623,330</u>	<u>509,276</u>	<u>199,653</u>	<u>708,929</u>	<u>914,401</u>
Other Financing Sources (Uses):					
Transfer from General Fund	1,798,621	-	884,220	884,220	(914,401)
Transfer to General Fund	<u>(175,291)</u>	<u>-</u>	<u>(175,291)</u>	<u>(175,291)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,623,330</u>	<u>-</u>	<u>708,929</u>	<u>708,929</u>	<u>(914,401)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (509,276)</u>	<u>\$ 509,276</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

**MANNING ELEMENTARY SCHOOL DESIGN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Education:					
Design fees	\$ 637,500	\$ -	\$ -	\$ -	\$ 637,500
Contingency	362,500	-	-	-	362,500
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Other Financing Sources (Uses):					
Transfer from Public School Construction Fund	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

HALIFAX COUNTY, NORTH CAROLINA

PROJECT FREEBIRD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<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					
NC Department of Commerce	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
US Department of Commerce	1,181,855	-	-	-	(1,181,855)
Contributions	142,620	-	-	-	(142,620)
Total revenues	<u>1,924,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,924,475)</u>
Expenditures:					
Economic development:					
Construction	1,589,850	-	-	-	1,589,850
Construction contingency	174,665	-	-	-	174,665
Administration	25,000	-	-	-	25,000
Engineering design and permitting	128,360	-	59,813	59,813	68,547
Construction administration & observation	86,350	-	-	-	86,350
Total expenditures	<u>2,004,225</u>	<u>-</u>	<u>59,813</u>	<u>59,813</u>	<u>1,944,412</u>
Revenues over (under) expenditures	<u>(79,750)</u>	<u>-</u>	<u>(59,813)</u>	<u>(59,813)</u>	<u>19,937</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>79,750</u>	<u>-</u>	<u>79,750</u>	<u>79,750</u>	<u>-</u>
Total other financing sources (uses)	<u>79,750</u>	<u>-</u>	<u>79,750</u>	<u>79,750</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,937</u>	<u>\$ 19,937</u>	<u>\$ 19,937</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, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
NC Department of Commerce	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
NC Department of Transportation	950,000	171,014	526,769	697,783	(252,217)
US Department of Commerce	1,400,000	-	-	-	(1,400,000)
Contributions	<u>1,524,470</u>	<u>1,238,095</u>	<u>87,049</u>	<u>1,325,144</u>	<u>(199,326)</u>
Total revenues	<u>4,874,470</u>	<u>1,409,109</u>	<u>613,818</u>	<u>2,022,927</u>	<u>(2,851,543)</u>
Expenditures:					
Economic development:					
Site preparation	6,843,270	5,967,257	610,174	6,577,431	265,839
Road construction	1,225,021	265,807	793,359	1,059,166	165,855
Administration	433,418	268,399	134,211	402,610	30,808
Sewer line	18,600	-	-	-	18,600
Rail spur	2,291,255	-	-	-	2,291,255
Contingency	<u>207,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,713</u>
Total expenditures	<u>11,019,277</u>	<u>6,501,463</u>	<u>1,537,744</u>	<u>8,039,207</u>	<u>2,980,070</u>
Revenues over (under) expenditures	<u>(6,144,807)</u>	<u>(5,092,354)</u>	<u>(923,926)</u>	<u>(6,016,280)</u>	<u>128,527</u>
Other Financing Sources (Uses):					
Transfer in	<u>6,144,807</u>	<u>5,918,427</u>	<u>226,380</u>	<u>6,144,807</u>	<u>-</u>
Total other financing sources (uses)	<u>6,144,807</u>	<u>5,918,427</u>	<u>226,380</u>	<u>6,144,807</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 826,073</u>	<u>\$ (697,546)</u>	<u>\$ 128,527</u>	<u>\$ 128,527</u>



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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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Solid waste fees	\$ 4,618,674	\$ 3,723,785	\$ (894,889)	\$ 3,811,400
Electronics management	3,000	4,138	1,138	3,591
Other taxes and licenses	70,000	67,973	(2,027)	74,366
Total operating revenues	<u>4,691,674</u>	<u>3,795,896</u>	<u>(895,778)</u>	<u>3,889,357</u>
Non-operating revenues:				
Interest earned on investments	<u>1,000</u>	<u>2,339</u>	<u>1,339</u>	<u>3,023</u>
Total revenues	<u>4,692,674</u>	<u>3,798,235</u>	<u>(894,439)</u>	<u>3,892,380</u>
Expenditures:				
Landfill operations:				
Salaries and benefits	531,189	489,836		464,999
Operating expenses	842,202	422,224		414,959
Repairs and maintenance	149,200	94,868		121,073
Capital outlay	12,500	12,102		59,085
Total landfill operations	<u>1,535,091</u>	<u>1,019,030</u>	<u>516,061</u>	<u>1,060,116</u>
Ash monofill cell:				
Salaries and benefits	94,513	52,577		73,278
Operating expenses	166,503	127,824		128,709
Repairs and maintenance	203,822	7,603		3,465
Total ash monofill cell	<u>464,838</u>	<u>188,004</u>	<u>276,834</u>	<u>205,452</u>
Landfill closure:				
Landfill closure expenditures	<u>110,000</u>	<u>-</u>		<u>18,538</u>
Total landfill closure	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>18,538</u>
Electronics management:				
Operating expenses	10,000	4,005		3,898
Capital outlay	35,000	-		-
Total electronics management	<u>45,000</u>	<u>4,005</u>	<u>40,995</u>	<u>3,898</u>
Transfer station:				
Salaries and benefits	44,484	44,418		39,182
Operating expenses	2,484,383	2,227,345		2,203,818
Total transfer station	<u>2,528,867</u>	<u>2,271,763</u>	<u>257,104</u>	<u>2,243,000</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Debt service expenditures:				
Principal	188,704	188,703		184,861
Interest	32,174	42,278		36,013
Total debt service	220,878	230,981	(10,103)	220,874
Total expenditures	4,904,674	3,713,783	1,190,891	3,751,878
Revenues over (under) expenditures	(212,000)	84,452	296,452	140,502
Other Financing Sources (Uses):				
Intrafund transfers	-	-	-	(124,000)
Appropriated retained earnings	212,000	-	(212,000)	-
Total other financing sources (uses)	212,000	-	(212,000)	(124,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 84,452	\$ 84,452	\$ 16,502
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 84,452		\$ 16,502
Depreciation		(210,347)		(226,658)
Contributions made to the pension plan in the current fiscal year		28,791		-
Capital outlay		12,102		59,085
Debt service expenditures		188,703		184,861
Change in accrued interest payable		(10)		(13,148)
Change in compensated absences		(3,867)		(5,135)
Pension expense		(2,469)		-
Change in OPEB		(3,516)		(3,652)
Interest from projects		196		275
Intrafund transfer to capital project		-		124,000
Change in post-closure liability estimate		(98,233)		(225,928)
Change in net position		\$ (4,198)		\$ (89,798)

HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,781,313	\$ 4,794,115	\$ 12,802	\$ 4,526,861
Sewer sales	178,824	165,388	(13,436)	174,628
Tap fees	52,300	43,200	(9,100)	53,825
Penalties and other charges	213,340	219,952	6,612	223,006
Miscellaneous	3,088	11,058	7,970	9,628
Total operating revenues	<u>5,228,865</u>	<u>5,233,713</u>	<u>4,848</u>	<u>4,987,948</u>
Non-operating revenues:				
Interest earned on investments	650	822	172	853
Total non-operating revenues	<u>650</u>	<u>822</u>	<u>172</u>	<u>853</u>
Total revenues	<u>5,229,515</u>	<u>5,234,535</u>	<u>5,020</u>	<u>4,988,801</u>
Expenditures:				
Water department:				
Salaries and employee benefits	667,993	627,671		586,936
Water purchases	1,977,256	1,977,248		1,719,104
Repairs and maintenance	106,525	70,930		114,509
Other operating expenditures	1,302,640	1,194,156		1,075,082
Capital outlay	45,451	40,635		35,623
Total water department	<u>4,099,865</u>	<u>3,910,640</u>	<u>189,225</u>	<u>3,531,254</u>
Debt service:				
Debt service principal	986,133	939,432		3,546,182
Debt service interest and fees	812,208	744,391		748,772
Total debt service	<u>1,798,341</u>	<u>1,683,823</u>	<u>114,518</u>	<u>4,294,954</u>
Total expenditures	<u>5,898,206</u>	<u>5,594,463</u>	<u>303,743</u>	<u>7,826,208</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, 2015
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(668,691)	(359,928)	308,763	(2,837,407)
Other Financing Sources (Uses):				
Intrafund transfers	57,767	57,767	-	6,601
Revenue bonds issued	-	-	-	2,687,000
Appropriated retained earnings	610,924	-	(610,924)	-
Total other financing sources (uses)	668,691	57,767	(610,924)	2,693,601
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (302,161)	\$ (302,161)	\$ (143,806)
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (302,161)		\$ (143,806)
Debt principal		939,432		3,546,182
Capital outlay		40,635		35,623
Revenue bonds issued		-		(2,687,000)
Change in accrued interest payable		5,156		(121,154)
Contributions made to the pension plan in the current fiscal year		28,791		-
Change in compensated absences		7,724		7,242
Pension expense		(2,469)		-
Change in OPEB		(3,944)		(3,583)
Intrafund transfer		(57,767)		(6,601)
Interest income from water capital projects		-		1,405
Project expense not capitalized		(14,516)		(25,517)
Capital contributions from water capital projects		553,201		642,755
Depreciation		(1,417,491)		(1,372,475)
Change in net position		\$ (223,409)		\$ (126,929)

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, 2015

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Restricted intergovernmental	\$ 61,425	\$ 35,926	\$ -	\$ 35,926
Total revenues	<u>61,425</u>	<u>35,926</u>	<u>-</u>	<u>35,926</u>
Expenditures:				
Economic and physical development:				
Administration	2,925	62	-	62
Engineering	<u>58,500</u>	<u>43,950</u>	<u>14,516</u>	<u>58,466</u>
Total expenditures	<u>61,425</u>	<u>44,012</u>	<u>14,516</u>	<u>58,528</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (8,086)</u>	<u>\$ (14,516)</u>	<u>\$ (22,602)</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, 2015

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Phase XI				
Restricted intergovernmental	\$ 1,513,000	\$ 628,254	\$ 553,201	\$ 1,181,455
Investment earnings	-	1,449	-	1,449
Total Phase XI revenues	<u>1,513,000</u>	<u>629,703</u>	<u>553,201</u>	<u>1,182,904</u>
Total revenues	<u>1,513,000</u>	<u>629,703</u>	<u>553,201</u>	<u>1,182,904</u>
Expenditures:				
Phase XI				
Economic and physical development:				
Administration	47,674	34,368	13,306	47,674
Contingency	27,406	-	-	-
Construction	3,984,306	3,227,884	452,163	3,680,047
Interest	75,000	27,407	-	27,407
Engineering	592,414	464,623	58,300	522,923
Total Phase XI expenditures	<u>4,726,800</u>	<u>3,754,282</u>	<u>523,769</u>	<u>4,278,051</u>
Phase XI-A				
Economic and physical development:				
Administration	185,900	152,028	-	152,028
Professional services	30,904	30,904	-	30,904
Contingency	101,640	-	-	-
Construction	1,096,013	1,063,211	-	1,063,211
Engineering	130,761	100,761	-	100,761
Total Phase XI-A expenditures	<u>1,545,218</u>	<u>1,346,904</u>	<u>-</u>	<u>1,346,904</u>
Total expenditures	<u>6,272,018</u>	<u>5,101,186</u>	<u>523,769</u>	<u>5,624,955</u>
Revenues over (under) expenditures	<u>(4,759,018)</u>	<u>(4,471,483)</u>	<u>29,432</u>	<u>(4,442,051)</u>
Other Financing Sources (Uses):				
Intrafund transfer - water Ph XI	526,800	496,800	-	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>1,376,823</u>	<u>-</u>	<u>1,376,823</u>
Total other financing sources (uses)	<u>4,759,018</u>	<u>4,560,623</u>	<u>-</u>	<u>4,560,623</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 89,140</u>	<u>\$ 29,432</u>	<u>\$ 118,572</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, 2015

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ 1,816	\$ 196	\$ 2,012
Total revenues	<u>-</u>	<u>1,816</u>	<u>196</u>	<u>2,012</u>
Expenditures:				
Economic and physical development:				
Construction	1,510,336	1,403,176	-	1,403,176
Administration	27,812	25,087	-	25,087
Engineering	115,411	109,927	-	109,927
Contingency	<u>46,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,700,000</u>	<u>1,538,190</u>	<u>-</u>	<u>1,538,190</u>
Revenues over (under) expenditures	<u>(1,700,000)</u>	<u>(1,536,374)</u>	<u>196</u>	<u>(1,536,178)</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>\$ 163,626</u>	<u>\$ 196</u>	<u>\$ 163,822</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, 2015

	Project	Actual		
	Authorization	Prior	Current	Total
		Years	Year	to Date
Expenditures:				
Economic and physical development:				
Engineering	\$ 115,000	\$ 25,237	\$ -	\$ 25,237
Total expenditures	<u>115,000</u>	<u>25,237</u>	<u>-</u>	<u>25,237</u>
Other Financing Sources (Uses):				
Intrafund transfer - solid waste disposal	115,000	115,000	-	115,000
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>\$ 89,763</u>	<u>\$ -</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, 2015

	<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:				
Construction	\$ 100,000	\$ -	\$ 62,857	\$ 62,857
Engineering	14,000	-	6,339	6,339
Contingency	10,000	-	-	-
Total expenditures	<u>124,000</u>	<u>-</u>	<u>69,196</u>	<u>69,196</u>
Other Financing Sources (Uses):				
Intrafund transfer - solid waste disposal	<u>124,000</u>	<u>124,000</u>	<u>-</u>	<u>124,000</u>
Total other financing sources (uses)	<u>124,000</u>	<u>124,000</u>	<u>-</u>	<u>124,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 124,000</u>	<u>\$ (69,196)</u>	<u>\$ 54,804</u>



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INTERNAL SERVICE FUNDS

Internal Service Funds:

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

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



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HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2015

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,366,062	\$ 177,523	\$ 1,543,585
Accounts receivable, net	558	-	558
Total assets	<u>1,366,620</u>	<u>177,523</u>	<u>1,544,143</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	<u>669,893</u>	-	<u>669,893</u>
Net Position:			
Unrestricted	<u>\$ 696,727</u>	<u>\$ 177,523</u>	<u>\$ 874,250</u>

HALIFAX COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Operating Revenues:				
Charges for services	\$ 3,756,614	\$ 357,249	\$ 4,113,863	\$ 3,942,607
Operating Expenses:				
Unemployment claims	-	48,581	48,581	268,432
Health insurance premiums and administration	3,849,806	-	3,849,806	3,498,313
Total operating expenses	3,849,806	48,581	3,898,387	3,766,745
Operating income (loss)	(93,192)	308,668	215,476	175,862
Non-Operating Revenues:				
Investment earnings	626	70	696	992
Income (loss) before operating transfers	(92,566)	308,738	216,172	176,854
Transfer in (out) - General Fund	-	(246,500)	(246,500)	(225,000)
Change in net position	(92,566)	62,238	(30,328)	(48,146)
Net Position:				
Beginning of year - July 1	789,293	115,285	904,578	952,724
End of year - June 30	\$ 696,727	\$ 177,523	\$ 874,250	\$ 904,578

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

	2015			2014
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,756,535	\$ 357,249	\$ 4,113,784	\$ 3,942,215
Cash paid for goods and services	(3,822,097)	(99,365)	(3,921,462)	(3,706,037)
Net cash provided (used) by operating activities	(65,562)	257,884	192,322	236,178
Cash Flows from Non-Capital Financing Activities:				
Transfer out - General Fund	-	(246,500)	(246,500)	(225,000)
Net cash provided (used) by non-capital financing activities	-	(246,500)	(246,500)	(225,000)
Cash Flows from Investing Activities:				
Interest on investments	626	70	696	992
Net cash provided (used) by investing activities	626	70	696	992
Net increase (decrease) in cash, cash equivalents, and investments	(64,936)	11,454	(53,482)	12,170
Cash, Cash Equivalents, and Investments:				
Beginning of year - July 1	1,430,998	166,069	1,597,067	1,584,897
End of year - June 30	\$ 1,366,062	\$ 177,523	\$ 1,543,585	\$ 1,597,067
Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ (93,192)	\$ 308,668	\$ 215,476	\$ 175,862
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(79)	-	(79)	(392)
Increase (decrease) in accounts payable	27,709	(50,784)	(23,075)	60,708
Net cash provided (used) by operating activities	\$ (65,562)	\$ 257,884	\$ 192,322	\$ 236,178

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, 2015**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 3,956,056	\$ 3,756,614	\$ (199,442)
Operating Expenses:			
Health insurance premiums and administration	<u>3,956,056</u>	<u>3,849,806</u>	<u>106,250</u>
Total operating expenses	<u>3,956,056</u>	<u>3,849,806</u>	<u>106,250</u>
Operating income (loss)	-	(93,192)	(93,192)
Non-Operating Revenues:			
Investment earnings	<u>-</u>	<u>626</u>	<u>626</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (92,566)</u>	<u>\$ (92,566)</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ (92,566)</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, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 503,122	\$ 357,249	\$ (145,873)
Operating Expenses:			
Unemployment claims	256,622	48,581	208,041
Total operating expenses	<u>256,622</u>	<u>48,581</u>	<u>208,041</u>
Operating income (loss)	246,500	308,668	62,168
Non-Operating Revenues:			
Investment earnings	<u>-</u>	<u>70</u>	<u>70</u>
Income (loss) before operating transfers	246,500	308,738	62,238
Transfer (in) out - General Fund	<u>(246,500)</u>	<u>(246,500)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 62,238</u>	<u>\$ 62,238</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ 62,238</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.

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, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 39,667	\$ 46,038	\$ 39,667	\$ 46,038
Liabilities:				
Miscellaneous liabilities	\$ 39,667	\$ 46,038	\$ 39,667	\$ 46,038
Tax Collection Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 114,927	\$ 11,676,767	\$ 11,702,476	\$ 89,218
Taxes receivable, net	857,259	10,899,934	10,859,642	897,551
Total assets	<u>\$ 972,186</u>	<u>\$ 22,576,701</u>	<u>\$ 22,562,118</u>	<u>\$ 986,769</u>
Liabilities:				
Miscellaneous liabilities	\$ 203,415	\$ 11,458,420	\$ 11,484,130	\$ 177,705
Intergovernmental payable	768,771	10,898,937	10,858,644	809,064
Total liabilities	<u>\$ 972,186</u>	<u>\$ 22,357,357</u>	<u>\$ 22,342,774</u>	<u>\$ 986,769</u>
ROD Trust Fund Fee:				
Assets:				
Cash and cash equivalents	\$ 1,581	\$ 21,973	\$ 21,496	\$ 2,058
Total assets	<u>\$ 1,581</u>	<u>\$ 21,973</u>	<u>\$ 21,496</u>	<u>\$ 2,058</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ 1,581	\$ 21,973	\$ 21,496	\$ 2,058
Total liabilities	<u>\$ 1,581</u>	<u>\$ 21,973</u>	<u>\$ 21,496</u>	<u>\$ 2,058</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 156,175	\$ 11,744,778	\$ 11,763,639	\$ 137,314
Taxes receivable, net	857,259	10,899,934	10,859,642	897,551
Total assets	<u>\$ 1,013,434</u>	<u>\$ 22,644,712</u>	<u>\$ 22,623,281</u>	<u>\$ 1,034,865</u>
Liabilities and Fund Balance:				
Liabilities:				
Miscellaneous liabilities	\$ 243,082	\$ 11,504,458	\$ 11,523,797	\$ 223,743
Intergovernmental payable	770,352	10,920,910	10,880,140	811,122
Total liabilities	<u>\$ 1,013,434</u>	<u>\$ 22,425,368</u>	<u>\$ 22,403,937</u>	<u>\$ 1,034,865</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, 2015

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2014</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014-2015	\$ -	\$ 24,887,308	\$ 24,360,629	\$ 526,679
2013-2014	533,133	-	236,748	296,385
2012-2013	333,790	-	82,207	251,583
2011-2012	232,215	-	34,572	197,643
2010-2011	199,818	-	27,872	171,946
2009-2010	164,543	-	22,573	141,970
2008-2009	128,541	-	7,801	120,740
2007-2008	124,523	-	7,147	117,376
2006-2007	136,048	-	6,145	129,903
2005-2006	131,145	-	5,317	125,828
2004-2005	116,166	-	116,166	-
Total	<u>\$ 2,099,922</u>	<u>\$ 24,887,308</u>	<u>\$ 24,907,177</u>	<u>2,080,053</u>
Less: allowance for uncollectible ad valorem taxes receivable				<u>(635,816)</u>
Ad valorem taxes receivable, net				<u>\$ 1,444,237</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 24,785,670
Reconciling items:				
Gross receipts tax				(23,193)
Penalties collected on ad valorem taxes - Agency Fund				(158,709)
Amounts written off for tax years per Statute of Limitations				116,166
Abatements and releases				35,210
Refunds				(67,718)
Writeoffs/discounts				206,518
Tax bill adjustments				(14,158)
Discoveries and rollback				35,740
Miscellaneous adjustments				<u>(8,349)</u>
Total collections and credits				<u>\$ 24,907,177</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2015

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 3,653,236,299	\$ 0.68	\$ 22,526,805	\$ 22,526,805	\$ -
Motor vehicles taxed at current year's rate	1,637,844	0.68	2,326,339	-	2,326,339
Penalties	-		30,707	30,707	-
Total original levy	<u>3,654,874,143</u>		<u>24,883,851</u>	<u>22,557,512</u>	<u>2,326,339</u>
Discoveries	<u>5,686,335</u>	0.68	<u>38,667</u>	<u>38,667</u>	<u>-</u>
Abatements	<u>(5,177,891)</u>	0.68	<u>(35,210)</u>	<u>(35,171)</u>	<u>(39)</u>
Total property valuation	<u>\$ 3,655,382,587</u>				
Net Levy			24,887,308	22,561,008	2,326,300
Uncollected taxes at June 30, 2015			<u>526,679</u>	<u>526,214</u>	<u>465</u>
Current Year's Taxes Collected			<u>\$ 24,360,629</u>	<u>\$ 22,034,794</u>	<u>\$ 2,325,835</u>
Current Levy Collection Percentage			<u>97.88%</u>	<u>97.67%</u>	<u>99.98%</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2015

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio	105%
Real property	\$ 2,699,522,013
Personal property	765,679,430
Public service companies	<u>190,181,144</u>
Total assessed valuation	<u>\$ 3,655,382,587</u>
Tax rate per \$100	0.68
Levy (included discoveries, releases, and abatements)	<u>\$ 24,887,308</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	\$ 2,879,546
Fire protection districts	1,153,604
Community hospital	<u>356,622</u>
Total	<u>\$ 4,389,772</u>



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STATISTICAL SECTION

(unaudited)

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	142
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.	147
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.	151
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.	155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the County's financial information relates to the services provided and the activities it performs.	158



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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 18,447,019	\$ 18,794,168	\$ 18,632,877	\$ 18,477,076	\$ 15,509,024	\$ 15,987,959	\$ 16,324,481	\$ 15,903,882	\$ 16,542,906	\$ 12,700,784
Restricted	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798	58,992	58,192	89,618	89,618	57,658
Unrestricted	(3,431,783)	(1,637,019)	(1,029,184)	(21,964)	6,009,922	14,562,807	10,725,835	11,984,749	12,708,171	24,037,834
Total governmental activities net position	\$ 30,477,497	\$ 30,694,269	\$ 33,916,198	\$ 34,878,254	\$ 32,649,744	\$ 30,609,758	\$ 27,108,508	\$ 27,978,249	\$ 29,340,695	\$ 36,796,276
Business-type activities										
Net investment in capital assets	\$ 12,077,355	\$ 11,956,839	\$ 11,368,747	\$ 11,893,823	\$ 13,581,258	\$ 13,947,296	\$ 12,725,129	\$ 13,264,059	\$ 14,421,955	\$ 14,537,104
Restricted	4,801,751	5,260,162	6,831,496	6,156,006	7,257,654	7,598,212	8,209,572	7,633,787	5,758,236	3,648,978
Unrestricted	\$ 16,879,106	\$ 17,217,001	\$ 18,200,243	\$ 18,049,829	\$ 20,838,912	\$ 21,545,508	\$ 20,934,701	\$ 20,897,846	\$ 20,180,191	\$ 18,186,082
Total business-type activities net position										
Primary government										
Net investment in capital assets	\$ 30,524,374	\$ 30,751,007	\$ 30,001,624	\$ 30,370,899	\$ 29,090,282	\$ 29,935,255	\$ 29,049,610	\$ 29,167,941	\$ 30,964,861	\$ 27,237,888
Restricted	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798	58,992	58,192	89,618	89,618	57,658
Unrestricted	1,369,968	3,623,143	5,802,312	6,134,042	13,267,576	22,161,019	18,935,407	19,618,536	18,466,407	27,686,812
Total primary government net position	\$ 47,356,603	\$ 47,911,270	\$ 52,116,441	\$ 52,928,083	\$ 53,488,656	\$ 52,155,266	\$ 48,043,209	\$ 48,876,095	\$ 49,520,886	\$ 54,982,358

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	\$ 11,265,630	\$ 11,521,305	\$ 11,421,727	\$ 11,155,986	\$ 10,435,130	\$ 9,781,235	\$ 11,094,199	\$ 8,844,192	\$ 9,365,516	\$ 10,211,044
Public safety	14,197,958	13,761,938	14,124,871	12,844,194	12,274,234	11,872,036	12,291,389	12,153,355	9,859,448	10,052,711
Economic & physical development	2,936,494	7,185,719	1,418,100	1,711,426	1,757,528	1,648,548	1,156,054	780,355	1,671,471	1,147,987
Human Services	19,339,216	20,392,320	20,918,807	21,780,366	22,082,009	21,431,637	25,268,365	25,764,084	26,121,156	25,931,106
Cultural & Recreational	540,741	651,086	617,701	683,275	539,435	528,298	578,152	554,833	442,423	401,453
Education	11,437,522	11,257,890	12,758,774	14,579,569	11,696,274	11,920,920	12,159,112	16,571,006	23,973,376	14,876,729
Interest & Fees	805,349	1,042,433	921,100	938,783	396,649	460,169	532,773	579,473	637,840	338,167
Total governmental activities expenses	\$ 60,522,910	\$ 65,812,691	\$ 62,181,080	\$ 63,693,599	\$ 59,181,259	\$ 57,642,843	\$ 63,080,044	\$ 65,247,298	\$ 72,071,230	\$ 62,959,197
Business-type activities:										
Water & Sewer	\$ 6,011,145	\$ 5,759,890	\$ 5,730,039	\$ 6,961,383	\$ 5,071,355	\$ 5,064,811	\$ 5,787,146	\$ 6,486,493	\$ 4,990,957	\$ 5,322,080
Landfill/Solid Waste	3,802,629	3,982,453	3,703,772	8,871,212	3,906,530	3,465,856	3,210,966	2,445,520	2,248,862	1,940,213
Total business-type activities	\$ 9,813,774	\$ 9,742,343	\$ 9,433,811	\$ 15,832,595	\$ 8,977,885	\$ 8,530,667	\$ 8,998,112	\$ 8,932,013	\$ 7,239,819	\$ 7,262,293
Total primary governmental expenses	\$ 70,336,684	\$ 75,555,034	\$ 71,614,891	\$ 79,526,194	\$ 68,159,144	\$ 66,173,510	\$ 72,078,156	\$ 74,179,311	\$ 79,311,049	\$ 70,221,490
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,389,281	\$ 2,400,963	\$ 2,754,422	\$ 2,149,215	\$ 2,787,711	\$ 2,695,952	\$ 2,301,996	\$ 2,412,155	\$ 2,991,008	\$ 1,549,543
Public Safety	3,187,812	3,271,235	2,528,535	3,436,113	3,584,112	2,413,056	3,152,842	2,407,032	2,480,344	2,429,014
Economic and physical development	-	-	-	-	-	-	-	7,144	14,992	463,496
Human Services	124,808	148,547	102,747	158,807	143,102	40,693	19,664	116,303	20,841	6,129
Cultural and recreation	24,904	25,439	21,822	19,223	26,895	5,992	4,514	-	-	36,043
Operating grants and contributions	17,490,294	16,704,854	17,435,430	21,669,387	17,744,622	18,458,663	19,390,471	18,592,406	18,407,546	16,108,612
Capital grants and contributions	1,340,173	1,349,798	1,257,897	1,369,143	1,018,199	1,371,293	640,654	930,192	-	1,388,553
Total governmental activities program revenues	\$ 24,557,272	\$ 23,900,836	\$ 24,100,853	\$ 28,801,888	\$ 25,304,641	\$ 24,985,649	\$ 25,510,141	\$ 24,465,232	\$ 23,914,731	\$ 21,981,390
Business-type activities:										
Charges of services:										
Water and sewer	\$ 5,233,713	\$ 4,987,948	\$ 4,980,159	\$ 4,616,130	\$ 4,664,667	\$ 4,825,979	\$ 5,389,856	\$ 5,868,898	\$ 5,230,740	\$ 4,944,059
Solid waste	3,727,923	3,814,991	3,728,939	8,356,624	3,372,705	3,194,215	3,129,176	3,059,677	2,865,798	2,686,642
Operating grants and contributions	-	-	-	2,511	-	-	-	-	18,502	18,502
Capital grants and contributions	553,201	642,755	766,515	2,511	224,763	1,021,862	252,287	358,948	545,569	231,401
Total business-type activities program revenues	\$ 9,514,837	\$ 9,445,694	\$ 9,475,613	\$ 12,975,265	\$ 8,262,135	\$ 9,042,056	\$ 8,771,319	\$ 9,287,523	\$ 8,660,609	\$ 7,880,604
Total primary governmental program revenues	\$ 34,072,109	\$ 33,346,530	\$ 33,576,466	\$ 41,777,153	\$ 33,566,776	\$ 34,027,705	\$ 34,281,460	\$ 33,752,755	\$ 32,575,340	\$ 29,861,994
Net (Expense)/Revenue										
Governmental activities	\$ (35,965,638)	\$ (41,911,855)	\$ (38,080,227)	\$ (34,891,710)	\$ (33,876,618)	\$ (32,657,194)	\$ (37,569,903)	\$ (40,782,066)	\$ (48,156,499)	\$ (40,977,807)
Business-type activities	(298,937)	(296,649)	41,802	(2,857,330)	(715,750)	511,389	(226,793)	355,510	1,420,790	618,311
Total primary governmental net expense	\$ (36,264,575)	\$ (42,208,504)	\$ (38,038,425)	\$ (37,749,040)	\$ (34,592,368)	\$ (32,145,805)	\$ (37,796,696)	\$ (40,426,556)	\$ (46,735,709)	\$ (40,359,496)

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

General Revenues and Other Changes in

Net Position

Governmental activities:

Taxes

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ad valorem taxes	\$ 29,566,702	\$ 29,938,070	\$ 29,176,862	\$ 29,060,545	\$ 28,853,192	\$ 29,073,973	\$ 27,031,921	\$ 26,283,349	\$ 26,892,818	\$ 33,794,125
Local option sales tax	8,161,488	7,211,131	7,462,883	7,441,555	6,544,483	6,765,382	9,017,316	11,147,940	11,224,258	10,358,468
Other taxes	99,262	118,989	144,424	121,816	124,282	131,484	138,512	489,499	162,525	168,945
Interest earned on investments	37,586	67,661	39,775	39,565	99,372	109,491	436,090	1,350,134	2,424,199	1,619,907
Miscellaneous	441,373	1,567,406	312,523	432,380	206,482	72,410	107,007	-	-	773,508
Transfers	-	-	(18,296)	24,359	88,793	5,704	(30,684)	148,698	(2,882)	115,955
Total governmental activities	\$ 38,306,411	\$ 38,903,257	\$ 37,118,171	\$ 37,120,220	\$ 35,916,604	\$ 36,158,444	\$ 36,700,162	\$ 39,419,620	\$ 40,700,918	\$ 46,830,908

Business-type activities:

Other Taxes

Privilege Tax	\$ 67,973	74,366	83,280	84,179	81,674	78,893	76,003	83,899	84,494	80,029
Interest	3,357	5,556	7,036	8,427	16,273	26,229	156,961	426,944	485,943	282,394
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	18,296	(24,359)	(88,793)	(5,704)	30,684	(148,698)	2,882	(115,955)
Total business-type activities	\$ 71,330	\$ 79,922	\$ 108,612	\$ 68,247	\$ 9,154	\$ 99,418	\$ 263,648	\$ 362,145	\$ 573,319	\$ 246,468
Total primary government	\$ 38,377,741	\$ 38,983,179	\$ 37,226,783	\$ 37,188,467	\$ 35,925,758	\$ 36,257,862	\$ 36,963,810	\$ 39,781,765	\$ 41,274,237	\$ 47,077,376

Change in Net Position

Governmental activities

Business-type activities

Total primary government

Governmental activities	\$ 2,340,773	\$ (3,008,598)	\$ (962,056)	\$ 2,228,510	\$ 2,039,986	\$ 3,501,250	\$ (869,741)	\$ (1,362,446)	\$ (7,455,581)	\$ 5,853,101
Business-type activities	(227,607)	(216,727)	150,414	(2,789,083)	(706,596)	610,807	36,855	717,655	1,994,109	864,779
Total primary government	\$ 2,113,166	\$ (3,225,325)	\$ (811,642)	\$ (560,573)	\$ 1,333,390	\$ 4,112,057	\$ (832,886)	\$ (644,791)	\$ (5,461,472)	\$ 6,717,880

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Reserved	N/A	N/A	N/A	N/A	N/A	\$ 7,830,230	\$ 7,092,581	\$ 6,680,731	\$ 6,724,983	\$ 5,974,150
Unreserved	N/A	N/A	N/A	N/A	N/A	24,021,981	22,939,596	24,385,840	25,854,498	26,288,682
Nonspendable	108,076	47,097	67,992	787,417	118,618	-	-	-	-	-
Restricted	13,617,754	12,649,829	14,590,085	13,736,617	9,937,529	-	-	-	-	-
Committed	-	888,375	1,063,800	1,010,972	987,513	-	-	-	-	-
Assigned	4,658,251	1,882,934	3,497,218	4,530,361	3,941,401	-	-	-	-	-
Unassigned	8,329,303	11,643,265	10,528,955	13,226,413	17,589,602	-	-	-	-	-
Total General Fund	\$ 26,713,384	\$ 27,111,500	\$ 29,748,050	\$ 33,291,780	\$ 32,574,663	\$ 31,852,211	\$ 30,032,177	\$ 31,066,571	\$ 32,579,481	\$ 32,262,832
All other governmental funds										
Reserved	N/A	N/A	N/A	N/A	N/A	\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178	\$ 141,383
Unreserved, reported in:										
Undesignated	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Special revenue funds	N/A	N/A	N/A	N/A	N/A	1,281,807	1,136,906	1,102,165	1,253,991	889,988
Capital projects funds	N/A	N/A	N/A	N/A	N/A	(2,081,881)	(2,514,505)	(1,731,444)	281,507	17,303,300
Permanent funds	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,844,507	951,229	1,722,420	2,686,525	1,193,269	-	-	-	-	-
Committed	145,595	629,102	2,255,244	1,182,015	-	-	-	-	-	-
Assigned	-	-	-	-	1,534,350	-	-	-	-	-
Unassigned	(736,967)	(1,158,743)	(2,625,090)	(3,344,767)	(2,692,045)	-	-	-	-	-
Total all other governmental funds	\$ 1,253,135	\$ 421,588	\$ 1,352,574	\$ 523,773.00	\$ 35,574	\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676	\$ 18,334,671

Tables show Pre GASB 54 and Post GASB 54 implementation. Differences will correct themselves through attrition

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Ad valorem taxes	\$24,785,670	\$25,467,769	\$24,508,463	\$24,322,857	\$28,787,663	\$29,025,295	\$26,929,709	\$26,645,328	\$26,716,334	\$36,241,776
Other taxes and licenses	7,716,600	6,857,795	7,095,607	6,712,220	6,668,765	6,896,866	9,155,828	11,637,439	11,386,783	10,527,413
Unrestricted intergovernmental revenues	385,800	347,751	390,315	408,382	727,980	483,341	567,941	561,175	630,484	601,198
Restricted intergovernmental revenues	17,486,635	16,450,460	17,545,805	18,649,613	18,977,893	19,473,535	18,847,756	19,029,117	18,336,126	17,118,271
Permits and fees	1,324,064	1,397,617	1,346,291	1,300,247	1,148,751	1,239,839	1,089,818	1,132,806	1,416,031	1,135,397
Sales and services	3,970,595	4,043,476	3,879,891	4,098,301	4,328,128	3,063,410	3,968,594	3,043,037	3,060,770	2,653,994
Investment earnings	29,823	56,469	21,802	29,070	96,610	104,371	407,156	1,284,516	2,339,579	1,539,551
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	354,324	329,311	312,426	412,940	206,482	799,583	742,245	649,621	457,060	1,152,402
Total revenues	<u>\$56,053,511</u>	<u>\$54,950,648</u>	<u>\$55,100,600</u>	<u>\$55,933,630</u>	<u>\$60,942,272</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>
Expenditures										
General government	\$7,870,394	\$8,032,471	\$8,787,443	\$7,262,849	\$6,603,840	\$6,400,525	\$7,749,605	\$6,571,683	\$6,619,523	\$10,390,233
Public safety	13,265,922	13,146,632	12,983,238	13,479,012	12,713,337	12,175,394	13,164,754	12,574,099	10,710,355	10,749,615
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	975,352	866,364	1,097,442	5,351,019	2,455,450	1,711,764	1,435,942	853,024	4,636,172	2,445,266
Human services	21,386,334	21,485,386	21,914,289	22,931,926	22,849,271	23,011,327	25,982,318	27,133,595	31,258,022	28,144,753
Cultural and recreational	631,639	711,853	680,198	735,805	596,275	584,198	612,437	595,436	543,258	492,024
Public Health	-	-	-	-	-	-	-	-	-	-
Education	8,068,342	7,837,920	9,272,733	14,579,569	11,696,274	11,920,920	11,744,244	16,571,006	23,973,376	14,876,729
Capital outlay	-	-	-	-	-	-	-	1,822,427	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	1,664,029	1,919,745	1,822,398	2,094,073	2,460,612	2,669,450	2,624,133	2,689,537	2,522,662	1,413,080
Interest	821,056	854,222	921,099	936,291	396,649	460,168	532,773	579,473	637,841	338,167
Total expenditures	<u>\$54,683,068</u>	<u>\$54,854,593</u>	<u>\$57,478,840</u>	<u>\$67,370,544</u>	<u>\$59,771,708</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>
Excess of revenues over (under) expenditures	\$1,370,443	\$96,055	\$(2,378,240)	\$(11,436,914)	\$1,170,564	\$2,152,494	\$(2,137,159)	\$(5,407,241)	\$(16,558,042)	\$2,120,135
Other financing sources (uses)										
Intrafund transfers in (out)	-	-	-	-	-	-	-	-	-	-
Transfers in-	421,791	1,292,222	296,406	1,076,323	2,069,142	660,665	887,783	1,016,154	1,029,132	\$986,216
Transfers out-	(2,190,350)	(4,474,827)	(1,461,896)	(826,964)	(1,755,349)	(429,961)	(693,467)	(642,456)	(807,014)	(645,261)
Sale of capital assets	-	450,000	-	2,552,967	-	-	-	950,796	506,692	24,793,574
Installment purchase obligations issued	-	-	-	-	-	-	-	-	-	-
Advance refunding payment	-	-	-	-	-	-	-	-	-	-
Operating transfers (to) from component unit	-	-	-	-	-	-	-	-	-	-
Origination fees	-	-	-	-	-	-	-	-	-	-
Proceeds of Capital Lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,768,559)</u>	<u>(2,732,605)</u>	<u>\$(1,165,490)</u>	<u>\$2,802,326</u>	<u>\$313,793</u>	<u>\$230,704</u>	<u>\$194,316</u>	<u>\$1,324,494</u>	<u>\$728,810</u>	<u>\$25,134,529</u>
Net change in fund balances	<u>\$(398,116)</u>	<u>\$(2,636,550)</u>	<u>\$(3,543,730)</u>	<u>\$(8,634,588)</u>	<u>\$1,484,357</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>
Debt services as a percentage of noncapital expenditures	4.53%	5.19%	4.89%	4.82%	4.86%	5.34%	5.10%	4.84%	4.39%	2.69%

Schedule 5
Halifax County, North Carolina
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year	Real Property		Public Service	Personal Property	Total	Total Direct Tax Rate
	Residential Property					
2015	\$ 2,699,522,013	\$ 190,181,144	\$ 765,679,430	\$ 3,655,382,587	\$ 0.6800	
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	

Schedule 6
Halifax County, North Carolina
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rates per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
County Direct Rates										
Halifax	0.7300	0.6800	0.6800	0.6800	0.6800	0.6800	\$0.6800	\$0.6800	\$0.8650	\$0.8650
Components of Direct Rates										
Public Safety	0.134612	0.125392	0.125392							
Education	0.214182	0.199512	0.199512							
Operational Services	0.381206	0.355096	0.355096							
City Rates										
Roanoke Rapids	0.6510	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.5790	0.5790	0.4990
Enfield	0.8380	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7000
Halifax	0.6600	0.6000	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Scotland Neck	0.7850	0.7000	0.6800	0.6400	0.6400	0.6400	0.6000	0.6000	0.6000	0.6000
Hobgood	0.6500	0.5700	0.5700	0.5700	0.5700	0.5700	0.5700	0.4500	0.4500	0.4500
Littleton	0.8000	0.7000	0.6500	0.6500	0.6500	0.6500	0.6100	0.6500	0.6500	0.6500
Weldon	0.7700	0.6600	0.6600	0.6600	0.6600	0.6800	0.7500	0.7500	0.7500	0.7500
School District										
Weldon	0.1818	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Roanoke Rapids	0.2250	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	-	-	-
Fire Districts										
Rheasville	0.0705	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0563	0.0700	0.0700
Davie	0.0945	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0720	0.0700	0.0700
Darlington	0.0890	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0672	0.0700	0.0700
Thelma	0.0000	-	-	-	-	-	-	-	0.0700	0.0700
Littleton	0.0534	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.3300	0.0600	0.0600
Brinkleyville	0.0000	-	-	-	-	-	-	-	-	-
Arcola	0.0677	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.5520	0.0700	0.0700
Enfield	0.0690	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600
Halifax	0.0728	0.0726	0.0726	0.0726	0.0726	0.0726	0.0726	0.0626	0.0600	0.0600
Hobgood	0.0685	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0700	0.0700
Scotland Neck	0.0690	0.0700	0.0700	0.0700	0.0700	0.0649	0.0649	0.0649	0.0600	0.0600
Weldon	0.0894	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0900	0.0900
Tillery	0.0475	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0488	0.0500	0.0500
Hospital District										
Our Community Hospital	0.0124	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200

Source: State Department of Revenue, Bureau of Property Tax

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

<u>Taxpayer</u>	<u>2015</u>		<u>2006</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Kapstone Kraft Paper Corporation	152,560,165	31.07%	172,860,782	37.96%
Dominion-Virginia Power	110,143,145	22.43%	116,565,047	25.60%
Westmoreland LG&E Partners	99,178,824	20.20%	65,895,707	14.47%
Reser's Fine Foods Inc	32,289,436	6.58%	17,787,964	3.91%
CSX Transportation Inc	23,583,535	4.80%	17,187,788	3.77%
Kennametal Inc	21,062,666	4.29%	16,001,401	3.51%
Halifax EMC	19,770,523	4.03%	15,405,853	3.38%
RAE-ME North Carolina LLC	16,579,500	3.38%	13,014,578	2.86%
Carolina Tel & Tel Company	14,440,624	2.94%	12,263,260	2.69%
BRE Select Hotels NC LP	1,342,933	0.27%	8,410,737	1.85%
Totals	<u>\$ 490,951,351</u>	<u>100.00%</u>	<u>\$ 455,393,117</u>	<u>100.00%</u>

Source: State Department of Revenue, Bureau of Property Tax

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

Fiscal Year	Taxes Levied for the Fiscal Year		Total	Collected within the Fiscal Year of the Levy		Collections in		Total Collections to Date	
	(Original Levy)	Adjustments		Adjusted Levy	Amount	Percentage of Original Levy	Subsequent Years	Amount	Percentage of Adjusted Levy
2015	24,883,851	3,457	24,887,308	24,360,629	97.88%	-	24,360,629	97.88%	
2014	25,453,912	(30,574)	25,423,338	24,890,205	97.90%	-	24,890,205	97.90%	
2013	24,605,980	(54,841)	24,551,139	23,787,576	96.89%	429,773	24,217,349	98.64%	
2012	24,462,488	(3,436)	24,459,052	23,736,795	97.05%	63,320	23,800,115	97.31%	
2011	24,229,651	(31,165)	24,198,486	23,425,324	96.80%	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	96.96%	6,830	23,216,554	96.99%	
2007	23,941,561	465,003	24,406,564	23,650,788	96.90%	4,928	23,655,716	96.92%	
2006	23,956,573	212,615	24,169,188	23,429,508	96.40%	3,495	23,433,003	96.95%	

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

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal					
2015	19,755,928	-		19,755,928	2.0%	0.54%	364.22
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

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

**Schedule 10
Halifax County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ -	100%	\$ -
Underlying:			
Enfield	-	100	-
Halifax	-	100	-
Littleton	-	100	-
Roanoke Rapids	-	100	-
Scotland Neck	-	100	-
Weldon	-	100	-
Total	\$ -		\$ -

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

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

Schedule 11
Halifax County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income		Per Capita
	Capital Leases	Notes Payable	Certificate of Participation	Qualified Zone Academy Bond	Qualified School Construction Bond	General Obligation Bonds	Water Revenue Bonds	Notes Payable		Income	Capita	
2015	158	4,425	9,350	1,642	2,149	19,756	2,640	3,295	43,415	4.46%	800.40	
2014	174	5,159	10,200	1,642	2,213	20,576	2,687	2,862	45,513	4.63%	832.92	
2013	223	5,560	11,050	1,642	2,383	21,362	-	1,743	43,963	4.86%	814.04	
2012	271	6,314	11,900	1,642	2,553	22,065	-	-	44,745	4.75%	818.15	
2011	314	7,463	12,750	1,642	-	22,629	-	-	44,798	4.61%	825.23	
2010	356	9,082	13,600	1,642	-	21,062	-	-	45,742	4.72%	829.07	
2009	406	10,851	14,450	1,642	-	21,395	-	-	48,744	4.99%	891.38	
2008	453	12,578	15,300	1,642	-	20,193	-	163	50,329	3.90%	909.26	
2007	496	13,424	16,150	1,642	-	20,505	-	342	52,559	3.92%	913.71	
2006	-	15,086	17,000	1,642	-	15,532	-	517	49,777	N/A	886.16	

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

Schedule 12
Halifax County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed Value of Property	3,655,382	3,735,340	3,606,918	3,593,205	3,554,895	3,541,345	3,516,016	3,516,148	2,821,568	2,794,125
Debt limit, 8% of Assessed Value (Statutory Limitation)	292,431	298,827	288,553	\$ 287,456	\$ 284,392	\$ 283,308	\$ 281,281	\$ 281,292	\$ 225,725	\$ 223,530
Amount of Debt Applicable to Limit	<u>292,431</u>	<u>298,827</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>
General Obligation Bonds	19,756	20,576	21,362	22,065	22,629	21,062	14,595	14,918	15,230	15,532
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Installment purchase contracts**	20,861	22,076	22,378	22,409	21,906	24,324	26,943	29,683	31,558	34,244
Capital Leases	158	175	223	272						
Revenue Bonds	2,640	2,687	2,687							
Total net debt applicable to limit	43,415	45,514	46,650	44,746	43,971	45,386	26,943	29,683	31,558	34,244
Legal debt margin	<u>249,016</u>	<u>253,313</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>
Total net debt applicable to the limit as a percentage of debt limit	7.13%	7.39%	7.76%	7.80%	7.70%	8.59%	9.58%	10.55%	13.98%	15.32%

**Installment Debt includes COPS, QZAB and
 Installment Purchases

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

Schedule 13
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
2015	54,242	972,938	17,937	7,214	9.4%
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%

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

Schedule 14
Halifax County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Halifax Regional Medical Center	883	1	15.79%	880	2	13.83%
Halifax County Schools	581	2	10.39%	900	1	14.14%
County of Halifax	535	3	9.57%	731	3	11.49%
KapStone	478	4	8.55%	492	4	7.73%
Roanoke Rapids City Schools	355	5	6.35%	405	6	6.36%
Wal-mart, Inc	350	6	6.26%	374	7	5.88%
Reser's Fine Foods	350	7	6.26%	200	10	3.14%
AAA Carolinas	305	8	5.45%	275	8	4.32%
Safelite (Belron USA)	208	9	3.72%	412	5	6.47%
Weldon City Schools	192	10	3.43%	200	11	3.14%
PCB Piezotronics	171	11	3.06%	85	19	1.34%
Kennametal	164	12	2.93%	142	18	2.23%
Don Pancho	150	13	2.68%	0	20	0.00%
Patch Rubber	149	14	2.66%	185	13	2.91%
Rural Health Group (Halifax only)	146	15	2.61%	0	21	0.00%
City of Roanoke Rapids	144	16	2.57%	157	17	2.47%
New Dixie Oil	142	17	2.54%	175	14	2.75%
Halifax Community College	135	18	2.41%	234	9	3.68%
Halifax Linen Service	115	19	2.06%	190	12	2.99%
Meherrin River Forest Products	40	20	0.72%	0	22	0.00%
Coastal Lumber Company	0	21	0.00%	167	15	2.62%
Flambeau Airmold (closed 6/20/14)	0	22	0.00%	160	16	2.51%
Total	<u>5,593</u>		<u>100.00%</u>	<u>6,364</u>		<u>100.00%</u>

Source: State Department of Commerce.

Schedule 15
 Halifax County, North Carolina
 Full-time-Equivalent County Government Employees by Function
 Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Justice and law enforcement	98	95	91	91	91	88	88	73	75	74
Health and human services	253	248	262	263	263	263	283	288	300	287
Environment, parks, and education	7	7	7	7	5	6	12	3	5	5
Public works	24	24	17	17	20	20	24	24	26	24
General government	187	185	168	168	152	162	163	168	174	167
Total	569	559	545	546	531	539	570	556	580	557

Source: County Budget Office.

Schedule 16
Halifax County, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Sheriff										
Volume of calls	43,657	37,425	37,196	37,442	38,489	28,006	38,257	38,620	35,010	32,749
Incident reports filed	2,370	2,515	2,257	2,431	2,706	2,069	3,188	2,835	2,229	2,630
EMS										
Volume of calls	12,753	12,925	13,483	12,859	12,553	12,339	12,076	11,290	11,041	10,262
Response time (in minutes)	9.69	9.80	8.89	8.75	2.1	8	8.43	8.63	8.31	8.40
Transports	9,161	9,436	10,176	9,154	9,100	9,030	8,917	8,422	8,006	10,224
Water										
New connections	85	130	82	75	111	85	191	233	168	171
Water mains breaks	13	12	11	14	2	21	10	9	10	N/A
Average daily consumption (thousands of gallons)	2,181,290	2,485,378	2,265,000	2,610,060	2,136,173	2,565,640	1,938,500	2,034,000	2,223,725	2,500,000

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

N/A-NOT AVAILABLE

Schedule 17
 Halifax County, North Carolina
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public safety										
Sheriff										
Stations	2	2	1	1	1	1	1	1	1	1
Patrol units	87	86	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	21	20	20	20	19	19	19	19
Water										
Water mains (miles)	618	613.87	568.29	568.29	565.60	540.50	520.50	506.54	449.84	443.84
Fire hydrants	1,837	1,820	1,622	1,622	1,615	1,550	1,502	1,452	1,338	1,332
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	4,050,000	2,825,000	2,825,000
Sewer										
Sanitary sewers (miles)	11.5	11.5	11.5	11.5	10	10	10	10	10	10

Sources: Various county departments.

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

N/A-NOT AVAILABLE

COMPLIANCE SECTION



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

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, 2015, and the related notes to the financial statements, which collectively comprise Halifax County's basic financial statements, and have issued our report thereon dated December 8, 2015. 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 were not identified. We did identify certain deficiencies in internal control over financial reporting 2015-001, 2015-002, and 2015-003, described in the accompanying Schedule of Findings and Questioned Costs that we consider 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 Questioned Costs as items 2015-001, 2015-002, and 2015-003.

Halifax County's Responses to Findings

Halifax County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. 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
December 8, 2015

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

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance with OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

Board of Commissioners
Halifax County, North Carolina

Report On Compliance for Each Major Federal Program

We have audited the Halifax County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Halifax County's major federal programs for the year ended June 30, 2015. Halifax County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Halifax County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Halifax County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Halifax County's compliance.

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Opinion On Each Major Federal Program

In our opinion, Halifax County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report On Internal Control Over Compliance

The management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Halifax County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Halifax County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, significant deficiencies or material weaknesses may exist that were not identified. We identified a certain deficiency in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-004 to be a material weakness.

Halifax County's Response to Finding

Halifax County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Halifax County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
December 8, 2015

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

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

Board of Commissioners
Halifax County, North Carolina

Report On Compliance for Each Major State Program

We have audited the Halifax County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Halifax County's major State programs for the year ended June 30, 2015. Halifax County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Halifax County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Halifax County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of Halifax County's compliance.

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Opinion On Each Major State Program

In our opinion, Halifax County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of section OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-006. Our opinion on each major state program is not modified with respect to this matter.

Halifax County's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Halifax County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

The management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Halifax County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Halifax County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, significant deficiencies or material weaknesses may exist that were not identified. We identified certain deficiencies in internal control over compliance as described in the accompanying Schedule of Findings and Questioned Costs as findings 2015-004 and 2015-005 to be material weaknesses.

Halifax County's Responses to Findings

Halifax County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Halifax County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
December 8, 2015

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

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

Federal Awards

Internal control over major federal programs:	
• 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
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes

Identification of major federal programs:

<u>Federal Program</u>	<u>CFDA Number</u>
Medicaid Cluster	93.778, 93.777, 93.775

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$2,579,723</u>
---	--------------------

Auditee qualified as low-risk auditee?	No
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HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State programs:

- Material weaknesses identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes

Identification of major State programs:

State Program

- Medicaid Cluster
- Subsidized Child Care Cluster
- State/County Special Assistance for Adults
- NC DOT Highway Construction Program

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Findings Related to the Audit of the Basic Financial Statements

Finding 2015-001 Deficit Fund Equity

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

Condition: There was a violation of the General Statutes regarding deficit fund equity in a capital project fund and a special revenue fund.

Context: While reviewing the financial statements, we noted the condition described above.

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

Cause: The County adopted a balanced budget; however, two funds are currently at a deficit balance until revenue sources and transfers make up the deficits.

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

Contact Person: Mary Duncan, Finance Director

Views of Responsible Officials and Planned Corrective Actions: The County will re-evaluate the current recording of the funds 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 2016 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 QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Findings Related to the Audit of the Basic Financial Statements (Continued)

Finding 2015-002 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.

Context: While reviewing the financial statements, we noted the condition described above.

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: Management did not take necessary measures to ensure that all required debt service covenants were met in the current fiscal year.

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 Duncan, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management concurs and has taken the required steps to address and resolve the non-compliance in fiscal year 2016 by a rate adjustment in February, 2015. Monthly revenues and expenditures are scrutinized to insure the required percentage is attained and prevent future non-compliance.

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Findings Related to the Audit of the Basic Financial Statements (Continued)

Finding 2015-003 Debt Service Sinking Fund Payment

Criteria: Management should have a system in place to monitor compliance with debt service requirements associated with the Qualified School Construction Bond (QSCB) agreement entered into by the County. As part of the QSCB agreement, the County is required to make annual sinking fund payments of \$170,198.

Condition: For the fiscal year ended June 30, 2015, the County violated the QSCB agreement by not making a required sinking fund payment of \$170,198 in September 2014.

Context: During our review of current year debt service payments, we noted that the County did not make a required debt service sinking fund payment.

Effect: The County is not in compliance with the terms of the QSCB debt agreement.

Cause: Management did not take necessary measures to ensure that all required debt service payments were made in the current fiscal year.

Recommendation: In order to comply with the QSCB agreement, the County must make the missed September 2014 sinking fund payment in the amount of \$170,198 in fiscal year 2016, in addition to the scheduled payment of \$165,933. Management should make all necessary efforts to make scheduled debt service payments in the future.

Contact Person: Mary 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. In November 2014, unspent debt proceeds in the amount of \$63,970 were returned which reduced the principal amount of the debt and reduced future sinking fund payments. The September 2015 (FY16) required payment of \$165,933 was made timely, however the September 2014 payment was not made during FY15, but was made on November 30, 2015.

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

3. Findings and Questioned Costs Related to the Audit of Federal Awards

Finding 2015-004 Second Party Review of Eligibility Determination - Medicaid

Criteria: The County should have an adequate system of internal control procedures in place that management properly reviews and assesses the eligibility of individuals to ensure the accuracy of the benefits being provided.

Condition: The Division of Social Services did not have adequate review controls in place to ensure the proper eligibility determination requirements were being met for the following program:

<u>Federal Grantor</u>	<u>Pass-Through Agency</u>	<u>Program Name</u>	<u>CFDA #</u>
U.S. Health and Human Services	N.C. Health and Human Services	Medicaid Cluster	93.778, 93.777, 93.775

Context: While performing testing of internal control over compliance related to the Medicaid program, we noted the above condition.

Effect: Participant files could contain incorrect documentation where funding could be provided to individuals who are not eligible or not provided to eligible individuals.

Cause: Lack of sufficient tracking of the second party review process due to staffing limitations of the Medicaid program workers.

Questioned Costs: The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: Management should implement proper review procedures over the Medicaid eligibility determination process to ensure that records contain current, reliable and appropriate documentation in each participant file.

Contact Person: Mary Duncan, Finance Director

Management Response and Plan of Corrective Action: Management concurs and will ensure proper review procedures over eligibility determination. Supervisors has developed a second party review process and tracking system to monitor eligibility over Medicaid.

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

4. Findings and Questioned Costs Related to the Audit of State Awards

Finding 2015-004 as described above as applicable to the Medicaid Program.

Finding 2015-005 Second Party Review of Eligibility Determination – Subsidized Child Care and State/County Special Assistance for Adults

Criteria: The County should have an adequate system of internal control procedures in place that management properly reviews and assesses the eligibility of individuals to ensure the accuracy of the benefits being provided.

Condition: The Division of Social Services did not have adequate review controls in place to ensure the proper eligibility determination requirements were being met for the following programs:

<u>State Grantor</u>	<u>Program Name</u>
N.C. Health and Human Services	Subsidized Child Care Cluster
N.C. Health and Human Services	State/County Special Assistance for Adults

Context: While performing testing of internal control over compliance related to the Child Care and Special Assistance programs, we noted the above conditions.

Effect: Participant files could contain incorrect documentation where funding could be provided to individuals who are not eligible or not provided to eligible individuals.

Cause: Lack of sufficient tracking and record of the second party review process due to staffing limitations of the Child Care and Special Assistance program workers.

Questioned Costs: The finding represents an internal control issue; therefore, no questioned costs are applicable.

Recommendation: Management should implement proper review procedures over the Child Care and Special Assistance eligibility determination process to ensure that records contain current, reliable and appropriate documentation in each participant file.

Contact Person: Mary Duncan, Finance Director

Management Response and Plan of Corrective Action: Management concurs and will ensure proper review procedures over eligibility determination. Supervisors will develop second party review processes and tracking systems to monitor eligibility over the Child Care and Special Assistance programs.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

4. Findings and Questioned Costs Related to the Audit of State Awards (continued)

Finding 2015-006 State/County Special Assistance for Adults

Criteria: In accordance with North Carolina Department of Health and Human Services Manual, for Special Assistance there is a requirement of a timely termination of benefits after receiving notification from the provider of the participant's passing.

Condition: Upon testing of compliance for Special Assistance we noted that benefits were paid for a participant after their date of death. The date of death was not entered into the system in a timely manner, causing benefits to be paid for a deceased participant.

Context: While performing testing of compliance related to the Special Assistance program, we noted the condition described above.

Effect: Service provider continued to receive benefit checks for a deceased participant after the Department of Social Services was notified by the provider of the participant's passing.

Cause: Lack of compliance as a result of not entering participant's date of death into the system in a timely manner.

Questioned Costs: The questioned costs are two months of benefits for one of the participants selected for compliance testing. The long-term care facility received two months' worth of benefits after the participant's date of death at \$507.00 per month for a total of \$1,014.00 questioned costs.

Recommendation: Management should make all necessary efforts to ensure that benefits for deceased participants are terminated timely.

Contact Person: Mary 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, 2015**

Financial Statement Findings:

2014-001 repeated as 2015-001

2014-002 resolved in 2015

2014-003 resolved in 2015

2014-004 repeated as 2015-002

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
FEDERAL ASSISTANCE			
<i>Cash Programs</i>			
<u>U. S. Dept. of Health and Human Services</u>			
Passed through the NC Department of Health & Human Services			
Division of Social Services:			
Administration:			
Chaffee Foster Care Independence Program	93.674	\$ 16,227	\$ 4,057
SSBG-Adult Day Care	93.667	30,459	-
SSBG-Adult Day Care over 60	93.667	-	33,243
CPS TANF to SSBG	93.667	140,620	-
In-Home Services	93.667	6,624	-
In-Home Services over 60	93.667	9,054	-
SSBG Other Svcs & Trng	93.667	410,845	46,172
Refugee & Entrant Assistance - State Administered Program	93.566	12,449	-
Stephanie Tubb Jones Child Welfare Services Program			
Permanency Planning - Special	93.645	20,014	-
Child Support Enforcement:			
IV-D Administration	93.563	1,111,656	-
IV-D Offset Fees - Esc	93.563	221	-
IV-D Offset Fees - Federal	93.563	3,208	-
Promoting Safe & Stable Families	93.556	1,515	-
Direct Benefit Payments:			
Chaffee Foster Care Independence Program	93.674	9,062	-
Low-Income Home Energy Assistance:			
Administration	93.568	67,706	-
Home Energy Assistance	93.568	515,109	-
Crisis Intervention Program	93.568	343,033	-
Total Low Income Energy Assistance Block Grant		925,848	-
Temporary Assistance for Needy Families Cluster			
Administration:			
Work First Administration	93.558	28,441	-
Work First Service	93.558	350,474	-
Direct Benefit Payments:			
TANF Payments & Penalties	93.558	529,246	-
Total Temporary Assistance for Needy Families Cluster		908,161	-
Total Division of Social Services		3,605,963	83,472
Administration for Children and Families			
Passed through the NC Department of Health & Human Services			
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	107,200	-
Temporary Assistance for Needy Families - Cluster	93.558	10,439	-
Child Welfare Services:			
Foster Care and Adoption Cluster (Note 5):			
Administration:			
IV-E CPS	93.658	79,691	59,854
IV-E Foster Care Trn	93.658	2,013	-
IV-E Foster Care/Off Trn	93.658	120,501	-
Foster Care	93.658	274,342	-

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
IV-E Adoption/Off Trn	93.659	26,599	-
IV-E Adoption	93.659	3,971	-
IV-E Adoption	93.659	7,018	-
Direct Benefit Payments:			
IV-E Admin County Paid	93.658	1,981	990
IV-E Family Foster Max	93.658	115	-
IV-E Foster Care	93.658	33,384	8,650
IV-E Foster Care in Excess	93.658	21,205	5,492
IV-E Adopt Subsidy & Vendor	93.659	158,739	40,805
Total Foster Care and Adoption Cluster		729,559	115,791
Division of Child Development:			
Subsidized Child Care Cluster (Note 5):			
Child Care Development Fund Cluster:			
Division of Social Services:			
Child Care Development Fund - Administration	93.596	78,185	-
Division of Child Development:			
Child Care Development Block Grant	93.575	697,810	-
Child Care Development Fund - Mandatory	93.596	249,141	-
Child Care Development Fund - Match	93.596	583,591	268,863
Total Child Care Development Fund Cluster		1,608,727	268,863
Temporary Assistance for Needy Families - Cluster	93.558	184,707	-
Foster Care Title IV-E	93.658	15,139	7,841
State Appropriations	XXXX	-	17,251
TANF-MOE	XXXX	-	157,375
Total Subsidized Child Care Cluster		1,808,573	451,330
Total Administration for Children and Families		2,655,771	567,121
Centers for Medicare and Medicaid Services			
Division of Medical Assistance:			
Division of Social Services:			
Medicaid Cluster:			
Administration:			
Adt Cr Hm Cs Mgt/Spec	93.778	10,752	2,208
MAC	93.778	37,976	-
Medical Assist Admin	93.778	1,752,747	-
Medical Transp Admin	93.778	1,454	-
Medical Transp Service	93.778	17,600	9,116
State Co Special Asst	93.778	42,333	-
Direct Benefit Payments:			
Medical Assistance Program	93.778	71,862,372	40,510,340
Total Medicaid Cluster		73,725,234	40,521,664
State Children's Health Insurance Program:			
NC Health Choice - Administration	93.767	24,168	1,624
NC Health Choice - Direct Benefit Payments	93.767	1,069,078	337,401
Total State Children's Health Insurance Program		1,093,246	339,025
Total Centers for Medicare and Medicaid Services		74,818,480	40,860,689

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Centers for Disease Control & Prevention			
passed through NC Dept of Health & Human Services			
Division of Public Health:			
Hospital Preparedness Program (HPP) & Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	46,528	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	4,681	-
Tuberculosis Control Programs	93.116	27,461	-
Immunization Cooperative Agreements	93.268	21,355	-
Preventive Health & Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	19,229	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	2,495	-
Assistance Programs from Chronic Disease Prevention and Control	93.945	71,522	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	192	-
Preventive Health & Health Services Block Grant	93.991	1,317	-
Total Centers for Disease Control and Prevention		194,780	-
Health Resources & Service Administration			
passed through NC Dept of Health & Human Services			
Division of Public Health:			
Healthy Start Initiatives	93.926	119,663	-
Maternal and Child Health Services Block Grant to the States	93.994	171,620	128,730
Total Health Resources & Service Administration		291,283	128,730
Office of Population Affairs			
Passed through NC Dept of Health & Human Services			
Office of Population Affairs:			
Family Planning Services	93.217	74,084	-
Total Office of Population Affairs		74,084	-
Division of Aging & Adult Services:			
Upper Coastal Plain Council of Government			
Aging Cluster:			
Special Program for the Aging, Title III, Part B Grants for Supportive Services & Senior Centers:			
Access Services - Title III-B	93.044	61,322	3,607
In Home III-B	93.044	26,899	1,582
Special Program for the Aging, Title III, Part C Nutrition Services:			
Congregate Nutrition, Title III-C1	93.045	63,197	3,718
Home Delivered Meals, Title III-C2	93.045	32,464	1,910
Total Aging Cluster		183,882	10,817
Social Services Block Grant	93.667	38,388	1,097
Total Upper Coastal Plain Council of Government		222,270	11,914
Total U.S. Dept. of Health and Human Services		81,862,631	41,651,926

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<u>U. S. Department of Education</u>			
Passed through NC Dept of Health & Human Services			
Division of Public Health:			
Race to the Top - Early Learning Challenge	84.412	179,006	-
Total U.S. Department of Education		179,006	-
<u>U. S. Department of Agriculture</u>			
Passed through NC Department of Health and Human Services			
Division of Public Health			
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	1,609,306	-
Division of Social Services:			
Supplemental Nutrition Assistance Program Cluster:			
Supplemental Nutrition Assistance Program-Administration	10.561	753,601	-
Supplemental Nutrition Assistance Program-Fraud Administration	10.561	20,680	-
Total Supplemental Nutrition Assistance Program Cluster		774,281	-
Passed through Upper Coastal Plain Council of Govt.			
USDA NSIP Supplement	10.570	18,226	-
Passed through NC Department of Agriculture			
Food Distribution Cluster:			
Commodity Supplemental Food Program	10.565	308,905	-
Total Food Distribution Cluster		308,905	-
Passed through Rural Development			
Water and Waste Disposal Systems for Rural Communities - Water Construction Phase XI (Note 3)	10.760	523,769	-
Total U.S. Dept. of Agriculture		3,234,487	-
<u>U.S. National Foundation on the Arts and the Humanities</u>			
Passed through NC Department of Cultural Resources:			
Grants to States	45.310	4,915	-
Total U.S. National Foundation on the Arts		4,915	-
<u>U. S. Department of Transportation</u>			
Passed through NC Department of Transportation			
Highway Planning and Construction Cluster:			
Peanut Belt Rural Transportation Planning Organization	20.205	92,495	-
Total U. S. Department of Transportation		92,495	-
<u>U. S. Dept. of Housing and Urban Development</u>			
Passed through NC Department of Commerce			
Community Development Block Grants/State's Program & Non-Entitlement Grants in Hawaii	14.228	298,565	-
Total CDBG - States Program & Non-Entitlement Grants in Hawaii		298,565	-
Total U.S. Dept. of Housing and Urban Development		298,565	-

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Justice</u>			
Passed through the NC Department of Crime Control and Public Safety			
Juvenile Justice Delinquency Prevention - Allocation to States	16.540	207,002	-
Equitable Sharing Program	16.922	82,187	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,425	-
Edward Byrne Memorial Justice Assistance Grant Program - Teen Court Program	16.738	17,051	-
		<hr/>	<hr/>
Total U.S. Department of Justice		318,665	-
		<hr/>	<hr/>
TOTAL FEDERAL AWARDS		85,990,764	41,651,926
		<hr/>	<hr/>
STATE AWARDS			
<u>North Carolina Department of Health and Human Services</u>			
Division of Aging:			
Passed through Upper Coastal Plain Council of Governments			
Access Services		-	25,646
Home-Delivered Meals		-	34,692
In-Home Services		-	293,758
Caregiver Match		-	2,242
		<hr/>	<hr/>
Total Upper Coastal Plain Council of Governments		-	356,338
Division of Public Health:			
Food and Lodging Fees		-	16,227
General Aid to Counties		-	141,135
General Communicable Disease Control		-	2,293
Risk Reduction / Health Promotion		-	6,285
Breast and Cervical Cancer Program		-	6,060
Child Health		-	6,442
HMHC - Family Planning		-	9,002
Maternal Health (HMHC)		-	4,839
Women's Health Service Fund		-	12,868
HIV/STD State		-	400
HIV/STD SSBG Aid		-	100
School Nurse Funding Initiative		-	250,000
Tuberculosis		-	66,352
TB Medical Services		-	2,518
		<hr/>	<hr/>
Total Division of Public Health		-	524,521
Division of Social Services:			
Administration:			
St Chld Welfare/CPS/CS LD		-	264,189
DCD Smart Start		-	31,003
Energy Assist Private Grants		-	638
AFDC Incent/Prog Integrity		-	349
F.S. DOR Incentive		-	207
Direct Benefits Payments:			

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
CWS Adoption Subsidy & Vendor		-	135,126
F/C At Risk Maximization		-	477
State/County Special Assistance for Adults		-	687,352
SFHF Maximization		-	43,423
State Foster Home		-	23,478
Total Division of Social Services		-	1,186,242
Total NC Dept of Health and Human Services		-	2,067,101
 <u>North Carolina Department of Transportation</u>			
Rural Operating Assistance Program (ROAP) Cluster:			
Rural General Public Transportation		-	65,553
Elderly and Handicapped Transportation		-	67,555
Work First Transportation		-	17,057
Total Rural Operating Assistance Program Cluster		-	150,165
Highway Construction Program	DOT-18	-	793,359
Total NC Department of Transportation		-	943,524
 <u>North Carolina Department of Correction</u>			
Criminal Justice Co-op Student Incentive Program		-	66,926
Total NC Department of Correction		-	66,926
 <u>North Carolina Department of Crime Control & Public Safety</u>			
Emergency Management - Local Employee Planning Committee		-	1,104
Emergency Management - Supplement Award		-	38,220
Total NC Dept of Crime Control & Public Safety		-	39,324
 <u>North Carolina Department of Cultural Resources</u>			
Division of State Library:			
State Aid to Libraries		-	95,184
Total NC Dept of Cultural Resources		-	95,184
 <u>North Carolina Department of Environment and Natural Resources</u>			
Division of Natural Resources:			
Economic & Physical Development State Grant		-	3,600
State Cost Share		-	20,594
Soil Health Cotton Cvr Crop Int		-	3,765
Division of Waste Management:			
Scrap Tires Grant		-	21,600
Division of Water Resources:			
LGWCC-Aquatic Weed Control Grant		-	50,000
Total NCDENR		-	99,559

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<u>North Carolina Department of Insurance</u>			
Division of Senior Health Insurance and Information Program:			
SHIIP Grant		-	2,849
SHIIP MIPPA Grant		-	1,773
Total NC Department of Insurance		-	4,622
<u>North Carolina Department of Public Instruction</u>			
Public School Building Capital Fund - Lottery Funds		-	439,536
Total NC Department of Public Instruction		-	439,536
TOTAL STATE AWARDS		-	3,755,776
Total Federal and State awards		\$ 85,990,764	\$ 45,407,702

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Halifax County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Halifax County, it is not intended to and does not present the financial position, changes in net position or cash flows of Halifax County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

Note 3: Loans Outstanding

Halifax County had the following loan balances outstanding at June 30, 2015. The loans made during the year are included in the SEFSA in the federal expenditures presented in the schedule. Balances and transactions related to these programs are included in the County's basic financial statements.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Water and Waste Disposal Systems for Rural Communities	10.760	\$ 1,376,823

Note 4: Subrecipients

Of the federal and State expenditures presented in the schedule, Halifax County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Child Care Development Fund	93.575	\$ 1,608,727	-
Public School Building Capital Fund - Lottery Proceeds	XXXX	-	439,536

Note 5: Cluster of Programs

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



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