

# **HALIFAX COUNTY NORTH CAROLINA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2016**



**HALIFAX COUNTY  
NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by the Halifax County Office of Budget and Finance**

**Mary W. Duncan, Finance Director**



# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

		<u>Page</u>
	<b>Introductory Section:</b>	
	Letter of Transmittal	i-viii
	Organizational Chart	ix
	Certificate of Achievement for Excellence in Financial Reporting	x
	List of Principal Officials	xi
	<b>Financial Section:</b>	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-14
	<b>Basic Financial Statements - Overview:</b>	
	<b>Government-Wide Financial Statements:</b>	
<u>Exhibit</u>	A Statement of Net Position	15
	B Statement of Activities	16-17
	<b>Fund Financial Statements:</b>	
	C Balance Sheet - Governmental Funds	18-19
	D Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
	E Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
	F General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	22
	G Statement of Net Position - Proprietary Funds	23
	H Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	24
	I Statement of Cash Flows - Proprietary Funds	25-26
	J Statement of Fiduciary Net Position - Fiduciary Funds	27
	<b>Notes to the Basic Financial Statements</b>	28-74

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Required Supplemental Financial Data:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	75
A-2	Other Post-Employment Benefits - Retiree Health Plan	76
A-3	Local Governmental Employees' Retirement System - Proportionate Share of Net Pension Liability (Asset) - Last Three Fiscal Years	77
A-4	Local Governmental Employees' Retirement System - Contributions - Last Three Fiscal Years	78
A-5	Register of Deeds' Supplemental Pension Fund - Proportionate Share of Net Pension Liability (Asset) - Last Three Fiscal Years	79
A-6	Register of Deeds' Supplemental Pension Fund - Contributions - Last Three Fiscal Years	80
	<b>Supplementary Information:</b>	
	<b>General Fund:</b>	
B-1	Statement of Revenues, Expenditures and Changes in Fund Balance - Actual - General Fund Consolidated	81
B-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Departments	82
B-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Department	83-89
B-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Health Department	90-93
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Social Services Department	94-95
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Management Services Department Management Services Department	96
B-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Reassessment Fund	97

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Other Major Governmental Funds:</b>	
B-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Manning Elementary School Design - Major	98
B-9	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Klausner Lumber Two Project - Major Management Services Department	99
	<b>Nonmajor Governmental Funds:</b>	
C-1	Combining Balance Sheet - Nonmajor Governmental Funds	100
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	101
	<b>Special Revenue Funds:</b>	
D-1	Combining Balance Sheet - Nonmajor Special Revenue Funds	102-103
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	104-105
D-3	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
D-4	Our Community Hospital District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
D-5	Weldon School District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
D-6	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
D-7	Roanoke Rapids School Graded District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
D-8	CDBG Scattered Site Rehab 2008 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Special Revenue Funds (continued):</b>	
D-9	2014 CDBG Infrastructure Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
	<b>Capital Project Funds:</b>	
E-1	Combining Balance Sheet - Nonmajor Capital Projects Funds	113
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	114
E-3	RPO Peanut Belt - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
E-4	Piezotronics Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
E-5	QCSB Roanoke Rapids - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117
E-6	Project Freebird - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	118
	<b>Enterprise Funds:</b>	
F-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119-120
F-2	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	121-122
F-3	Meadows Waste Water - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	123
F-4	Phase XI and XI-A Water Capital Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	124

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Enterprise Funds (continued):</b>	
F-5	Weldon Sanitation Sewer Project Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	125
F-6	Infrastructure Aearation Water Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	126
F-7	Transfer Station Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	127
F-8	C&D Landfill Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	128
F-9	White Goods Handling Facility Project Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	129
	<b>Internal Service Funds:</b>	
G-1	Combining Statement of Net Position	130
G-2	Combining Statement of Revenues, Expenses, and Changes in Net Position	131
G-3	Combining Statement of Cash Flows	132
G-4	Health Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	133
G-5	Unemployment Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	134
	<b>Agency Funds:</b>	
H-1	Combining Schedule of Changes in Assets and Liabilities	135

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2016

### TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	<b>Additional Financial Data:</b>	
I-1	Schedule of Ad Valorem Taxes Receivable - General Fund	136
I-2	Analysis of Current Tax Levy	137
I-3	Analysis of Current Tax Levy - Secondary Market Disclosure	138
	<b>Statistical Section:</b>	
1	Net Position By Component	139
2	Change in Net Position	140-141
3	Fund Balances - Governmental Funds	142
4	Changes in Fund Balance - General Fund	143
5	Assessed Value and Actual Value of Taxable Property	144
6	Direct and Overlapping Property Tax Rates	145
7	Principal Property Taxpayers	146
8	Property Tax Levies and Collections	147
9	Ratios of General Bonded Debt Outstanding	148
10	Direct and Overlapping Governmental Activities Debt	149
11	Ratios of Outstanding Debt by Type	150
12	Legal Debt Margin Information	151
13	Demographic and Economic Statistics	152
14	Principal Employers	153
15	Full-Time Equivalent County Government Employees by Function	154
16	Operating Indicators by Function	155
17	Capital Asset Statistics by Function	156

**HALIFAX COUNTY, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Compliance Section:</b>	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	157-158
Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance The Schedule Of Expenditures Of Federal and State Awards With OMB Uniform Guidance, And The State Single Audit Implementation Act	159-160
Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance The Schedule Of Expenditures Of Federal and State Awards With OMB Uniform Guidance, And The State Single Audit Implementation Act	161-162
Schedule of Findings, Responses, and Questioned Costs	163-168
Corrective Action Plan	169-170
Schedule of Prior Year Audit Findings	171
Schedule of Expenditures of Federal and State Awards	172-177



This page left intentionally blank

## **INTRODUCTORY SECTION**



This page left intentionally blank



# State of North Carolina County of Halifax

TONY N. BROWN  
COUNTY MANAGER

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

December 12, 2016

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, 2016. 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 Uniform Guidance, *Audits of State and Local Governments*, and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and state awards, the auditors' report on the internal control structure and compliance with applicable laws and regulations are included in the compliance section of this report.

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

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

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

*Where the Spirit of Independence Was Born*

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

### ***Description of the County***

Halifax County was chartered by the North Carolina General Assembly in 1758. The residents of the parish of Edgecombe petitioned for the formation of a new county composed of all 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 orients 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 54,691. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,221.

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. 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. Fiscal Year 2015 – 2016 occupancy tax collections were \$16.9 million; an increase of 6.99% from 2014 – 2015.

Visitor spending in Halifax County increased by 2.3% over the previous year to \$89.7 million. Retail sales exceeded \$458 million in 2015, increasing by 5% 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 through a signed economic development agreement to create 16 new jobs at an investment of approximately \$55 million. Both Weldon Steel and Meherrin River Forest Products have made new equipment investments by utilizing building reuse grant funds.

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 ground water storage tank and railroad spur projects will be completed by December 2016 which will enable the company to begin operations at the facility in the first quarter of 2017.

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 will offer a walking trail for the taxpayers of Halifax County to encourage a healthy lifestyle as well as focusing on a renewable energy source. The exterior of the facility is nearly completed with a fully finalized project slated for early 2017. 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. The Division of Environmental Quality continues to review the Brownsfield application. 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 the opening of the Angus Prime Rib Steakhouse in the former Lonestar building, façade upgrades by Walmart, Food Lion and the Roanoke Avenue Historic District. Additional commercial investment is focused along Roanoke Avenue in Roanoke Rapids in collaboration with the Roanoke Rapids Main Street Program.

Revitalization efforts are also focused in the historic Town of Halifax. Recent investments include The Hen & The Hog, a restaurant featuring locally inspired southern food, clothing and accessories boutiques and Bass House Antiques.

The Phase XI water project and associated change orders designed to add service locations and improve water quality was completed in May, 2016. 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. Ninety percent of Halifax County's rural residents are receiving water supplied by Halifax County.

The sewer rehabilitation project of approximately 23,000 feet of gravity sewer mains and 96 manholes in the Weldon area of the County was completed in the Fall of 2015. The project budget was 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.

To comply with revenue bond requirements which 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 2016.

The \$111,777 White Goods Building and improvements project funded by revenue the County receives from the State for White Goods recycling has been completed.

Halifax County Public Utilities has been approved to receive an \$800,000 CDBG – Infrastructure Grant to install aeration systems in the 1-million-gallon Ground Storage Tank south of Halifax and the elevated tank near the western entry point from the Roanoke Rapids Sanitary District water system. The aeration systems are intended to reduce Trihalomethane levels in our water system. Design is underway now and the systems should be installed in 2017.

A \$195,252 project funded by the Solid Waste Fund Balance to cover 7.5 acres of the north slope of the Coal Ash Monofill with soil cover has been completed.

The NC911 Advisory Board awarded Halifax County a \$2 million dollar grant to construct a regional back-up PSAP center. This Primary Safety Answering Point center will be a stand-alone structure with back-up workstations for Northampton and Warren counties. The new facility will become the primary location of Halifax County's 911 center.

Halifax Regional Medical Center donated a building in Roanoke Rapids to be used as the County's training center as well as its back-up location. These changes were mandated by the NC911 Advisory Board to be in operation by July 1, 2017.

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 were 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 has been named and local Boy Scout troops are using the amphitheater as a tool for Eagle Projects.

The County has been focusing on information technology efforts in the last year. Remote wireless connection points were established in the court services building to enhance court services staff as well as attorney access to the internet. Due to the growth in electronic evidence presentations versus transporting box upon box of paper documentation, this improvement streamlines court procedures. 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 2016-2017. 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. Financing was secured through BB&T for a 15-year loan. A groundbreaking ceremony was held in June, 2016 with students and commissioners sharing shovels. Construction is expected to be completed in December 2017.

The County provided the three public school systems with \$5,811,427 in current expense and \$3,446,901 in capital outlay funds. Halifax Community College received \$1,116,364 in operating funds and \$428,956 in capital outlay funds. In addition, debt service payments were made on QSCB projects for the Roanoke Rapids Graded School District and the Weldon City School District

### ***Future Initiatives***

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. The Board of Commissioner's approved a Declaration of Covenants, Restrictions, Conditions and Easements for the Halifax Corporate Park.

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, 2016, 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. Except for 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 Uniform Guidance 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***

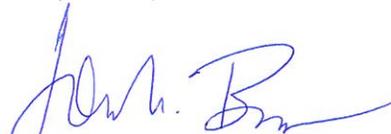
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the seventeenth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

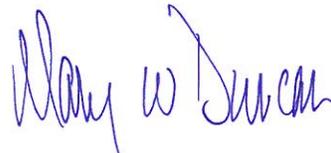
### ***Acknowledgments***

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

Respectfully submitted,

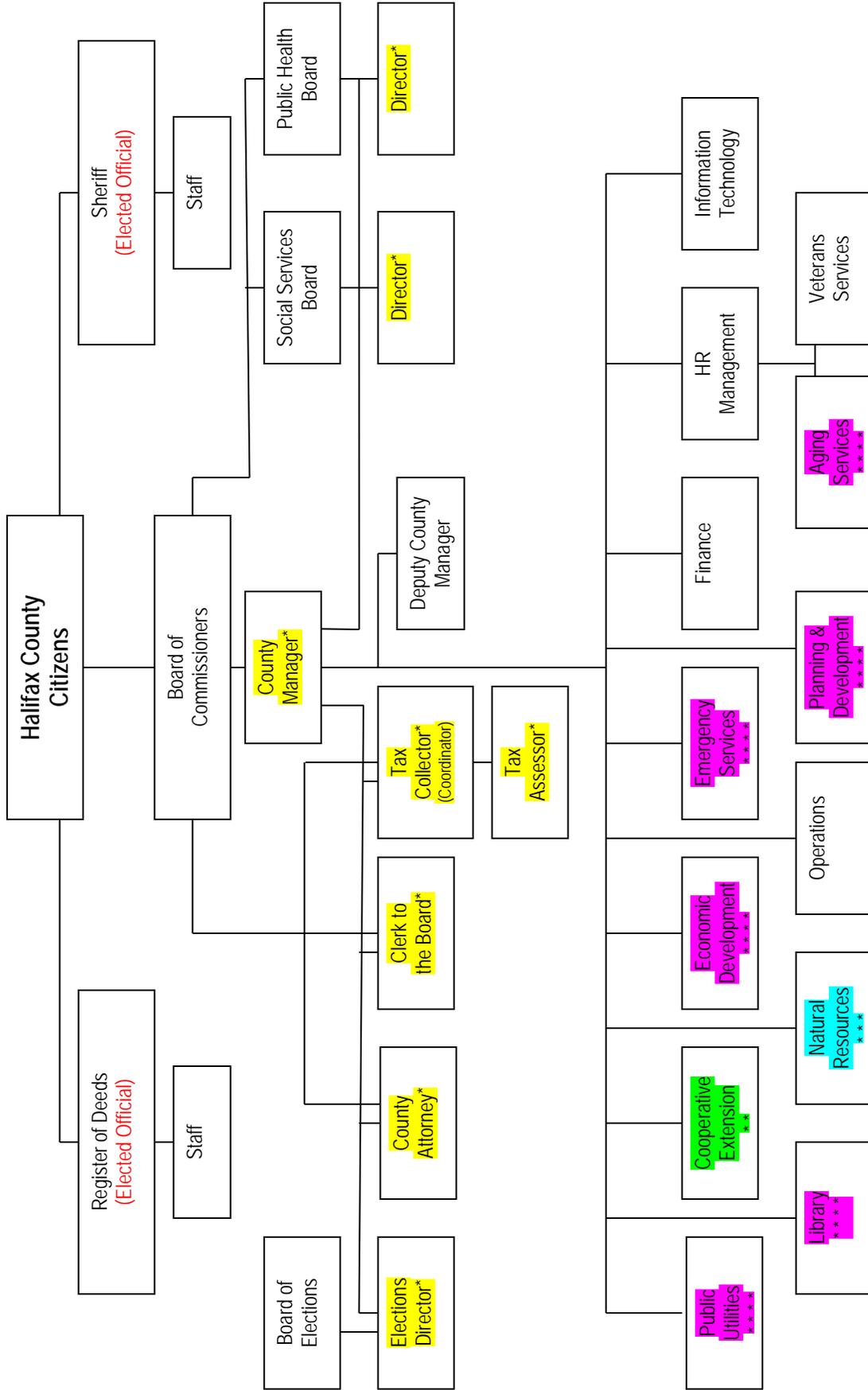


Tony N. Brown  
County Manager



Mary W. Duncan  
Finance Director

*Organizational Chart ~ Halifax County North Carolina*



\*Reports to a Governing Board  
 \*\*Director is a State Employee (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, 2015**

Executive Director/CEO

***Halifax County, North Carolina***

**LIST OF PRINCIPAL OFFICIALS**

June 30, 2016

**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  
Mary W. Duncan, Finance Director  
Judy Evans-Barbee, Register of Deeds  
S. Wesley Tripp, Jr, Sheriff  
Anne Thomas, Interim Director of Health Services  
Norma Merriman, Director of Social Services  
Virginia N. Orvedahl, Director of Library



This page left intentionally blank

## **FINANCIAL SECTION**



This page left intentionally blank

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

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

## **Independent Auditor's Report**

Board of County Commissioners  
Halifax County  
Halifax, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2016, 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 did not audit the financial statements of the Halifax County ABC Board which represents 77 percent, 78 percent, and 83 percent, respectively, of the assets, net position, and revenues of aggregate discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Halifax County ABC Board, is based solely on the report of the other auditors. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Halifax County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, based upon our audit and the report of the other auditors, 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, 2016, 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, 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 Liability 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, and other auditors, 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 Title 2 U.S. *Code of Federal Regulations (CFR) Part 200*,

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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 12, 2016, 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 12, 2016



This page left intentionally blank

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis is designed to provide an objective and easy to read analysis of Halifax County, North Carolina's (the "County"), financial activities for the fiscal year ended June 30, 2016. 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 \$48,011,076. The County's net position of governmental activities exhibited an increase of \$271,003 with the business-type activities showing an increase of \$352,437 resulting in the government's total net position increasing by \$623,440.

As of the close of the current fiscal year, Halifax County's governmental funds reported combined ending fund balances of \$45,001,239 after a net increase of \$17,033,687. Approximately 88.1% of this total amount, or \$39,648,307, is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$2,271,623, or 4.0%, of net General Fund expenditures and transfers at the close of the current fiscal year.

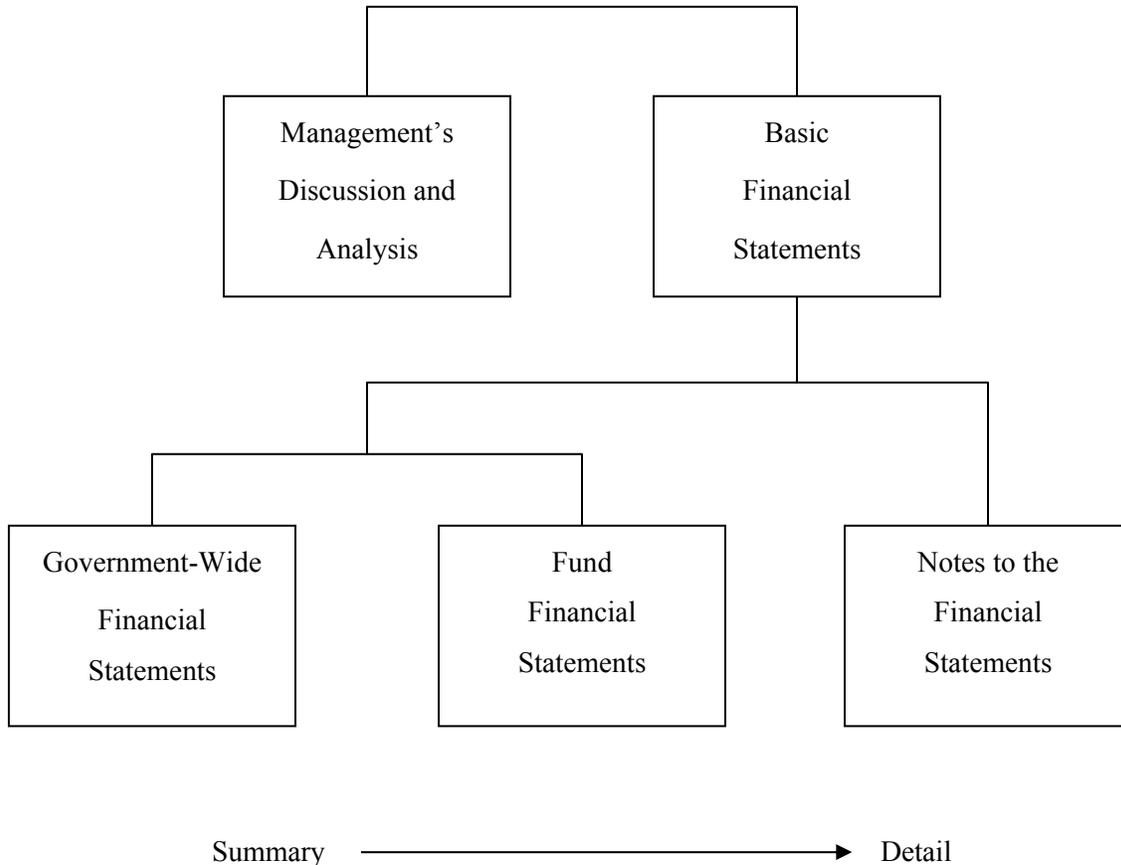
The County holds an A+ bond rating from Standard and Poor's effective as of June 30, 2016.

### **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 one fiduciary fund: Agency 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.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

### **Other Information**

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, 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 75 through 80 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets:</b>						
Current and other assets	\$34,810,446	\$33,140,361	\$ 9,114,084	\$ 8,601,949	\$43,924,530	\$41,742,310
Restricted assets	19,834,067	1,735,599	5,486,543	4,433,064	25,320,610	6,168,663
Capital assets	<u>21,930,838</u>	<u>23,030,503</u>	<u>36,598,871</u>	<u>37,576,934</u>	<u>58,529,709</u>	<u>60,607,437</u>
Total assets	<u>76,575,351</u>	<u>57,906,463</u>	<u>51,199,498</u>	<u>50,611,947</u>	<u>127,774,849</u>	<u>108,518,410</u>
<b>Deferred Outflows of</b>						
<b>Resources</b>	<u>1,430,278</u>	<u>1,386,350</u>	<u>59,220</u>	<u>57,582</u>	<u>1,489,498</u>	<u>1,443,932</u>
<b>Liabilities:</b>						
Current liabilities	11,558,747	4,475,013	3,416,824	2,000,193	14,975,571	6,475,206
Non-current liabilities	<u>34,777,576</u>	<u>19,580,178</u>	<u>30,578,299</u>	<u>31,595,040</u>	<u>65,355,875</u>	<u>51,175,218</u>
Total liabilities	<u>46,336,323</u>	<u>24,055,191</u>	<u>33,995,123</u>	<u>33,595,233</u>	<u>80,331,446</u>	<u>57,650,424</u>
<b>Deferred Inflows of</b>						
<b>Resources</b>	<u>889,773</u>	<u>4,760,125</u>	<u>32,052</u>	<u>195,190</u>	<u>921,825</u>	<u>4,955,315</u>
<b>Net Position:</b>						
Net investment in capital						
assets	17,831,005	18,447,019	12,055,155	12,077,355	29,886,160	30,524,374
Restricted	21,354,872	15,462,261	-	-	21,354,872	15,462,261
Unrestricted	<u>(8,406,344)</u>	<u>(3,431,783)</u>	<u>5,176,388</u>	<u>4,801,751</u>	<u>(3,229,956)</u>	<u>1,369,968</u>
Total net position	<u>\$30,779,533</u>	<u>\$30,477,497</u>	<u>\$17,231,543</u>	<u>\$16,879,106</u>	<u>\$48,011,076</u>	<u>\$47,356,603</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 \$48,011,076 at fiscal year-end. Net position increased slightly in the current fiscal year due to the increases in revenues from charges for services. \$29,886,160 (62.2%) reflects the County's investment in capital assets such as land, buildings, equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on these capital assets will require future government resources.

Forty-four 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, may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 30.0% 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.

### Halifax County's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,470,133	\$ 5,726,805	\$10,648,328	\$ 8,961,636	\$17,118,461	\$14,688,441
Operating grants and contributions	17,909,200	17,490,294	-	-	17,909,200	17,490,294
Capital grants and contributions	1,843,555	1,340,173	404,482	553,201	2,248,037	1,893,374
General revenue:						
Property taxes	29,927,726	29,566,702	-	-	29,927,726	29,566,702
Local option sales tax	7,961,352	8,161,488	-	-	7,961,352	8,161,488
Other taxes	93,902	99,262	70,542	67,973	164,444	167,235
Interest	56,252	37,586	11,911	3,357	68,163	40,943
Miscellaneous	-	441,373	-	-	-	441,373
Total revenues	64,262,120	62,863,683	11,135,263	9,586,167	75,397,383	72,449,850
<b>Expenses:</b>						
General government	11,900,686	11,265,630	-	-	11,900,686	11,265,630
Public safety	14,790,869	14,197,958	-	-	14,790,869	14,197,958
Economic and physical development	2,479,719	2,936,494	-	-	2,479,719	2,936,494
Human services	19,782,077	19,339,216	-	-	19,782,077	19,339,216
Cultural and Recreational	579,074	540,741	-	-	579,074	540,741
Education	13,339,997	11,437,522	-	-	13,339,997	11,437,522
Interest and fees	1,119,155	805,349	-	-	1,119,155	805,349
Water and sewer	-	-	6,213,780	6,011,145	6,213,780	6,011,145
Landfill/solid waste	-	-	4,568,587	3,802,629	4,568,587	3,802,629
Total expenses	63,991,577	60,522,910	10,782,367	9,813,774	74,773,944	70,336,684
Revenues over (under) expenses	270,544	2,340,773	352,896	(227,607)	623,440	2,113,166
Transfers	459	-	(459)	-	-	-
Change in net position	271,003	2,340,773	352,437	(227,607)	623,440	2,113,166
<b>Net Position:</b>						
Beginning of year - July 1	30,477,497	30,694,269	16,879,106	17,217,001	47,356,603	47,911,270
Restatement	31,033	(2,557,545)	-	(110,288)	31,033	(2,667,833)
Beginning of year - restated	30,508,530	28,136,724	16,879,106	17,106,713	47,387,636	45,243,437
End of year - June 30	\$30,779,533	\$30,477,497	\$17,231,543	\$16,879,106	\$48,011,076	\$47,356,603

## **Governmental Activities**

Of total net position, governmental activities accounted for \$30,779,533, with operating grants and contributions funding \$17,909,200 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2016, interest revenues remained low with interest rates around .012% to .25% but show some indication of improvement. Alternative methods have been 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 continue to be aggressive in pursuing businesses through economic development incentives of site preparation, building reuse grants and other infrastructure needs.

## **Business-Type Activities**

Business-type activities increased the County's net position by \$352,437. Solid waste saw an improvement in the net position as compared to 2015 which can be tied to the long term receivable from Westmoreland Ash Monofill closure expense. Water and Sewer rates were changed to market prices after several years of absorbing increased costs and to improve debt covenant percentages per revenue bond guidelines.

## **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 \$16,099,911, while total fund balance reached \$25,960,994. The County currently has an available fund balance of 28.7% of General Fund expenditures, while total fund balance represents 46.3% of that same amount.

At June 30, 2016, the governmental funds of Halifax County reported a combined fund balance of \$45,001,239, a 60.7% increase over last year. This can be primarily attributed to the closing on a construction loan in the amount of \$18,100,000 for a new Manning Elementary School.

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, 2016, the net change in fund balances per the governmental funds totaled an increase of \$17,003,687, while the governmental activities column of the government-wide financial statements indicated an increase of \$271,003 change in net position. A major contributing factor to this difference is due to the reporting of debt service and 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 \$39,454,872 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 \$522,202 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital project funds reported expenditures of \$2,173,053 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 \$4,157,326 and the Water Fund totaled \$13,074,217 for a cumulative total of \$17,231,543. 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, 2016, total net position amounted to \$896,004, which is an increase of \$21,754 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 \$682,098; a portion of this decrease can be tied to sales tax collections as well as a property tax appeal by one of the larger companies in the County.

### **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, 2016, amounts to \$58,529,709 (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 3.4%.

### Halifax County's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and improvements	\$ 3,700,690	\$ 3,700,690	\$ 463,850	\$ 463,850	\$ 4,164,540	\$ 4,164,540
Buildings	31,340,204	31,334,229	51,587,886	51,587,886	82,928,090	82,922,115
Equipment	5,045,156	4,988,606	3,636,621	3,636,621	8,681,777	8,625,227
Vehicles	4,275,789	4,122,248	1,018,481	1,059,903	5,294,270	5,182,151
Construction in progress	<u>2,496,985</u>	<u>2,496,985</u>	<u>5,647,049</u>	<u>4,989,371</u>	<u>8,144,034</u>	<u>7,486,356</u>
Subtotal	46,858,824	46,642,758	62,353,887	61,737,631	109,212,711	108,380,389
Less: Accumulated depreciation	<u>(24,927,986)</u>	<u>(23,612,255)</u>	<u>(25,755,016)</u>	<u>(24,160,697)</u>	<u>(50,683,002)</u>	<u>(47,772,952)</u>
Total	<u>\$21,930,838</u>	<u>\$23,030,503</u>	<u>\$36,598,871</u>	<u>\$37,576,934</u>	<u>\$58,529,709</u>	<u>\$60,607,437</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 44 for further details regarding capital assets.

#### Long-Term Debt

A significant component of the County's debt is the general obligation bonds, at \$18,909,122, 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 \$218,431,000. 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 7.7%.

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

	<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 18,909,122	\$ 19,755,928
Revenue bonds	<u>2,595,000</u>	<u>2,640,000</u>
Total	<u>\$ 21,504,122</u>	<u>\$ 22,395,928</u>

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$345.74 as of June 30, 2016, while the County's gross debt per capita is \$1,076.48.

Additional information of the County's long-term debt can be found beginning on page 63 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 2017 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 20,822 and has an unemployment rate of 8.1% as of June 30, 2016. This compares unfavorably to the State's unemployment rate of 4.9% and the United States' rate of 4.7% 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 54,691 has decreased by .01% from 2015 to 2016.

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

## **BUDGET HIGHLIGHTS FOR FISCAL YEAR 2016-2017**

### **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 \$100. An additional \$.05 per \$100 was levied for the purpose of raising revenue for the repayment of debt incurred by the County related to the construction of a new Manning Elementary School. The County's current property valuation is \$3.1 billion dollars. The estimated collection rate for Fiscal Year 2016 is 95.5%.

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 2017.

Economic development will continue to be emphasized during the 2016-2017 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 2017 budgeted expenditures for the Solid Waste Fund are \$4,098,352 which is a 7.2% decrease as compared to fiscal year 2016. Public Utilities – Water Division's FY 17 budgeted expenditures are \$5,856,900 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](http://www.halifaxnc.com).



This page left intentionally blank

## **BASIC FINANCIAL STATEMENTS**



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government			Component Units	
				Halifax County Tourism Development Authority	Halifax County ABC Board
	Governmental Activities	Business-Type Activities	Total		
<b>Assets:</b>					
Cash and investments	\$ 22,566,013	\$ 7,745,604	\$ 30,311,617	\$ 610,179	\$ 943,390
Ad valorem taxes receivable, net	2,337,594	-	2,337,594	-	-
Accounts receivable, net	9,401,437	1,288,282	10,689,719	13,211	-
Due from other governments	210,194	37,295	247,489	-	-
Due from primary government	-	-	-	72,873	-
Inventories	161,247	42,903	204,150	-	432,236
Prepaid items	32,188	-	32,188	2,463	1,178
Restricted assets:					
Cash and investments	19,834,067	431,886	20,265,953	-	-
Long-term receivable	-	5,054,657	5,054,657	-	-
Net pension asset	101,773	-	101,773	-	-
Capital assets:					
Non-depreciable assets	6,197,675	6,083,776	12,281,451	-	141,924
Other capital assets, net of depreciation	15,733,163	30,515,095	46,248,258	-	852,874
Total assets	<u>76,575,351</u>	<u>51,199,498</u>	<u>127,774,849</u>	<u>698,726</u>	<u>2,371,602</u>
<b>Deferred Outflows of Resources:</b>					
Contributions to pension plan in current fiscal year	1,376,139	57,196	1,433,335	2,123	24,599
Pension deferral	54,139	2,024	56,163	12,623	-
Total deferred outflows of resources	<u>1,430,278</u>	<u>59,220</u>	<u>1,489,498</u>	<u>14,746</u>	<u>24,599</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	6,120,014	465,842	6,585,856	66,871	244,465
Liabilities payable from restricted assets	-	256,585	256,585	-	-
Accrued interest payable	489,607	441,260	930,867	-	-
Due to component unit	72,873	-	72,873	-	-
Non-current liabilities:					
Net pension liability	1,469,817	61,244	1,531,061	12,117	10,816
Due within one year	3,406,436	2,191,893	5,598,329	5,341	-
Due in more than one year	34,777,576	30,578,299	65,355,875	23,563	66,034
Total liabilities	<u>46,336,323</u>	<u>33,995,123</u>	<u>80,331,446</u>	<u>107,892</u>	<u>321,315</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	115,016	-	115,016	-	-
Pension related deferrals	774,757	32,052	806,809	16,403	5,622
Total deferred inflows of resources	<u>889,773</u>	<u>32,052</u>	<u>921,825</u>	<u>16,403</u>	<u>5,622</u>
<b>Net Position:</b>					
Net investment in capital assets	17,831,005	12,055,155	29,886,160	-	994,798
Restricted for:					
Stabilization by State statute	10,761,468	-	10,761,468	86,084	-
Public safety	487,380	-	487,380	-	-
Human services	9,821,110	-	9,821,110	-	-
Education	284,914	-	284,914	-	-
Tourism	-	-	-	503,093	-
Other	-	-	-	-	147,527
Unrestricted	<u>(8,406,344)</u>	<u>5,176,388</u>	<u>(3,229,956)</u>	<u>-</u>	<u>926,939</u>
Total net position	<u>\$ 30,779,533</u>	<u>\$ 17,231,543</u>	<u>\$ 48,011,076</u>	<u>\$ 589,177</u>	<u>\$ 2,069,264</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, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 11,900,686	\$ 3,155,714	\$ 1,495,642	\$ -
Public safety	14,790,869	3,206,930	1,251,778	-
Economic and physical development	2,479,719	80,544	2,728	1,494,837
Human services	19,782,077	-	15,123,288	-
Cultural and recreation	579,074	26,945	35,764	-
Education	13,339,997	-	-	348,718
Interest and fees	1,119,155	-	-	-
Total governmental activities	<u>63,991,577</u>	<u>6,470,133</u>	<u>17,909,200</u>	<u>1,843,555</u>
<b>Business-Type Activities:</b>				
Water and sewer	6,213,780	5,638,615	-	404,482
Solid waste	4,568,587	5,009,713	-	-
Total business-type activities	<u>10,782,367</u>	<u>10,648,328</u>	<u>-</u>	<u>404,482</u>
Total primary government	<u>\$ 74,773,944</u>	<u>\$ 17,118,461</u>	<u>\$ 17,909,200</u>	<u>\$ 2,248,037</u>
<b>Component Units:</b>				
Tourism Development Authority	\$ 858,414	\$ 18,933	\$ -	\$ -
ABC Board	4,873,312	4,953,147	-	-
Total component units	<u>\$ 5,731,726</u>	<u>\$ 4,972,080</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, 2016

	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
<b>Functions/Programs:</b>					
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General government	\$ (7,249,330)	\$ -	\$ (7,249,330)		
Public safety	(10,332,161)	-	(10,332,161)		
Economic and physical development	(901,610)	-	(901,610)		
Human services	(4,658,789)	-	(4,658,789)		
Cultural and recreation	(516,365)	-	(516,365)		
Education	(12,991,279)	-	(12,991,279)		
Interest and fees	(1,119,155)	-	(1,119,155)		
Total governmental activities	<u>(37,768,689)</u>	<u>-</u>	<u>(37,768,689)</u>		
<b>Business-Type Activities:</b>					
Water and sewer	-	(170,683)	(170,683)		
Solid waste	-	441,126	441,126		
Total business-type activities	<u>-</u>	<u>270,443</u>	<u>270,443</u>		
Total primary government	<u>(37,768,689)</u>	<u>270,443</u>	<u>(37,498,246)</u>		
<b>Component Units:</b>					
Tourism Development Authority				\$ (839,481)	\$ -
ABC Board				-	79,835
Total component units				<u>(839,481)</u>	<u>79,835</u>
<b>General Revenues:</b>					
Taxes:					
Ad valorem taxes	29,927,726	-	29,927,726	-	-
Local option sales taxes	7,961,352	-	7,961,352	-	-
Other taxes	93,902	-	93,902	-	-
Privilege tax	-	70,542	70,542	-	-
Occupancy tax	-	-	-	960,649	-
Interest earned on investments	56,252	11,911	68,163	307	1,752
Total general revenues	<u>38,039,232</u>	<u>82,453</u>	<u>38,121,685</u>	<u>960,956</u>	<u>1,752</u>
Transfers	<u>459</u>	<u>(459)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>38,039,691</u>	<u>81,994</u>	<u>38,121,685</u>	<u>960,956</u>	<u>1,752</u>
<b>Change in Net Position</b>	<u>271,003</u>	<u>352,437</u>	<u>623,440</u>	<u>121,475</u>	<u>81,587</u>
<b>Net Position:</b>					
Beginning of year - July 1	30,477,497	16,879,106	47,356,603	467,702	1,987,677
Restatement	31,033	-	31,033	-	-
Beginning of year - July 1 - restated	<u>30,508,530</u>	<u>16,879,106</u>	<u>47,387,636</u>	<u>467,702</u>	<u>1,987,677</u>
End of year - June 30	<u>\$ 30,779,533</u>	<u>\$ 17,231,543</u>	<u>\$ 48,011,076</u>	<u>\$ 589,177</u>	<u>\$ 2,069,264</u>

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Major			Nonmajor	Total
	General Fund	Manning Elementary School Design	Klausner Lumber Two Project	Other Governmental Funds	
<b>Assets:</b>					
Cash and investments	\$ 15,709,691	\$ 221,861	\$ 4,221,139	\$ 703,637	\$ 20,856,328
Taxes receivable, net	1,980,409	-	-	357,185	2,337,594
Accounts receivable, net	8,335,364	-	617,580	448,461	9,401,405
Due from other governments	182,415	-	20,878	6,901	210,194
Due from other funds	1,149,869	-	-	-	1,149,869
Inventories	161,247	-	-	-	161,247
Prepaid items	32,188	-	-	-	32,188
Restricted cash	1,734,067	18,100,000	-	-	19,834,067
Total assets	<u>\$ 29,285,250</u>	<u>\$ 18,321,861</u>	<u>\$ 4,859,597</u>	<u>\$ 1,516,184</u>	<u>\$ 53,982,892</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,228,831	\$ 3,833	\$ 3,893,558	\$ 252,952	\$ 5,379,174
Due to other funds	-	-	949,869	200,000	1,149,869
Total liabilities	<u>1,228,831</u>	<u>3,833</u>	<u>4,843,427</u>	<u>452,952</u>	<u>6,529,043</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	115,016	-	-	-	115,016
Taxes receivable	1,980,409	-	-	357,185	2,337,594
Total deferred inflows of resources	<u>2,095,425</u>	<u>-</u>	<u>-</u>	<u>357,185</u>	<u>2,452,610</u>
<b>Fund Balances:</b>					
Non-spendable:					
Inventory	161,247	-	-	-	161,247
Prepaid items	32,188	-	-	-	32,188
Restricted:					
Stabilization by State statute	9,667,648	-	638,458	455,362	10,761,468
Public safety	-	-	-	487,380	487,380
Human services	9,821,110	-	-	-	9,821,110
Education	-	18,318,028	-	66,886	18,384,914
Committed	-	-	-	39,849	39,849
Assigned	4,007,178	-	-	-	4,007,178
Unassigned	2,271,623	-	(622,288)	(343,430)	1,305,905
Total fund balances	<u>25,960,994</u>	<u>18,318,028</u>	<u>16,170</u>	<u>706,047</u>	<u>45,001,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,285,250</u>	<u>\$ 18,321,861</u>	<u>\$ 4,859,597</u>	<u>\$ 1,516,184</u>	<u>\$ 53,982,892</u>

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

**HALIFAX COUNTY, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances	\$ 45,001,239
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,930,838
Net pension asset	101,773
Net pension liability	(1,469,817)
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,376,139
Deferred outflows from pension related deferrals	54,139
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.	(38,673,619)
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.	896,004
Deferred inflows from pension related deferrals	(774,757)
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	<u>2,337,594</u>
Net position of governmental activities	<u>\$ 30,779,533</u>

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

## HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Major			Nonmajor	Total
	General Fund	Manning Elementary School Design	Klausner Lumber Two Project	Other Governmental Funds	
<b>Revenues:</b>					
Ad valorem taxes	\$ 24,598,073	\$ -	\$ -	\$ 4,690,380	\$ 29,288,453
Other taxes and licenses	7,542,035	-	-	513,129	8,055,164
Unrestricted intergovernmental revenues	361,425	-	-	-	361,425
Restricted intergovernmental revenues	17,722,436	-	1,048,157	1,131,736	19,902,329
Permits and fees	1,358,846	-	-	-	1,358,846
Sales and services	3,877,354	-	-	-	3,877,354
Interest earned on investments	47,191	178	-	6,973	54,342
Miscellaneous	517,830	-	80,544	-	598,374
Total revenues	<u>56,025,190</u>	<u>178</u>	<u>1,128,701</u>	<u>6,342,218</u>	<u>63,496,287</u>
<b>Expenditures:</b>					
Current:					
General government	7,161,747	-	-	-	7,161,747
Public safety	14,388,454	-	-	1,812,314	16,200,768
Economic and physical development	881,730	-	1,241,058	230,898	2,353,686
Human services	21,288,297	-	-	467,931	21,756,228
Cultural and recreation	655,299	-	-	-	655,299
Education	9,317,592	782,150	-	3,240,255	13,339,997
Debt service:					
Principal repayments	1,605,812	-	-	-	1,605,812
Interest	802,052	-	-	-	802,052
Total expenditures	<u>56,100,983</u>	<u>782,150</u>	<u>1,241,058</u>	<u>5,751,398</u>	<u>63,875,589</u>
Revenues over (under) expenditures	<u>(75,793)</u>	<u>(781,972)</u>	<u>(112,357)</u>	<u>590,820</u>	<u>(379,302)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	246,500	-	-	54,589	301,089
Transfers out	(954,130)	-	-	-	(954,130)
Installment purchase obligations issued	-	18,100,000	-	(63,970)	18,036,030
Total other financing sources (uses)	<u>(707,630)</u>	<u>18,100,000</u>	<u>-</u>	<u>(9,381)</u>	<u>17,382,989</u>
Net change in fund balances	<u>(783,423)</u>	<u>17,318,028</u>	<u>(112,357)</u>	<u>581,439</u>	<u>17,003,687</u>
<b>Fund Balances:</b>					
Beginning of year - July 1	26,713,384	1,000,000	128,527	124,608	27,966,519
Restatement	31,033	-	-	-	31,033
Beginning of year - July 1 - restated	<u>26,744,417</u>	<u>1,000,000</u>	<u>128,527</u>	<u>124,608</u>	<u>27,997,552</u>
End of year - June 30	<u>\$ 25,960,994</u>	<u>\$ 18,318,028</u>	<u>\$ 16,170</u>	<u>\$ 706,047</u>	<u>\$ 45,001,239</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, 2016

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	\$ 17,003,687
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	639,273
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.	501,391
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,584,323)
Capital assets disposed of during the year not recognized on the modified accrual basis	(16,733)
Change in deferred outflows - pension	43,928
Change in deferred inflows - pension	3,914,275
Change in net pension asset and liability	(3,384,360)
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.	(317,104)
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.	(120,567)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue but an increase in liabilities.	(18,036,030)
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.	1,605,812
The net revenue of the internal service funds are reported with governmental activities.	<u>21,754</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 271,003</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 25,294,178	\$ 25,294,178	\$ 24,598,073	\$ (696,105)
Other taxes and licenses	7,356,671	7,367,817	7,542,035	174,218
Unrestricted intergovernmental revenues	190,000	240,000	361,425	121,425
Restricted intergovernmental revenues	15,668,207	17,937,851	17,722,436	(215,415)
Permits and fees	1,303,642	1,303,518	1,358,846	55,328
Sales and services	3,976,737	4,106,711	3,877,354	(229,357)
Investment earnings	12,500	12,500	46,130	33,630
Miscellaneous	189,760	458,486	517,830	59,344
Total revenues	<u>53,991,695</u>	<u>56,721,061</u>	<u>56,024,129</u>	<u>(696,932)</u>
<b>Expenditures:</b>				
Current:				
General government	7,602,233	8,341,053	7,161,747	1,179,306
Public safety	14,260,379	15,206,860	14,388,454	818,406
Economic and physical development	970,940	1,164,600	881,730	282,870
Human services	23,217,580	27,438,212	21,288,297	6,149,915
Cultural and recreational	596,637	688,714	655,299	33,415
Education	9,767,128	10,126,553	9,317,592	808,961
Debt service:				
Principal retirement	1,609,470	1,779,665	1,605,812	173,853
Interest and fees	717,702	717,706	802,052	(84,346)
Total expenditures	<u>58,742,069</u>	<u>65,463,363</u>	<u>56,100,983</u>	<u>9,362,380</u>
Revenues over (under) expenditures	<u>(4,750,374)</u>	<u>(8,742,302)</u>	<u>(76,854)</u>	<u>8,665,448</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers	108,007	102,386	102,386	-
Transfers in	105,919	246,500	246,500	-
Transfers out	-	(954,130)	(954,130)	-
Appropriated fund balance	4,536,448	9,347,546	-	(9,347,546)
Total other financing sources (uses)	<u>4,750,374</u>	<u>8,742,302</u>	<u>(605,244)</u>	<u>(9,347,546)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(682,098)</u>	<u>\$ (682,098)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			25,966,045	
Prior period adjustment			<u>31,033</u>	
Beginning of year - July 1 - restated			<u>25,997,078</u>	
End of year - June 30			<u>\$ 25,314,980</u>	

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

## HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities			Governmental
	Major			Activities
	Solid Waste Fund	Water Fund	Total	Internal Service Funds
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 5,140,896	\$ 2,604,708	\$ 7,745,604	\$ 1,709,685
Accounts receivable, net	678,738	609,544	1,288,282	32
Due from other governments	12,226	25,069	37,295	-
Long term receivables	5,054,657	-	5,054,657	-
Restricted cash	161,810	270,076	431,886	-
Inventories	-	42,903	42,903	-
Total current assets	<u>11,048,327</u>	<u>3,552,300</u>	<u>14,600,627</u>	<u>1,709,717</u>
Capital assets:				
Non-depreciable assets	440,281	5,643,495	6,083,776	-
Other capital assets, net of depreciation	2,088,035	28,427,060	30,515,095	-
Total capital assets	<u>2,528,316</u>	<u>34,070,555</u>	<u>36,598,871</u>	<u>-</u>
Total non-current assets	<u>2,528,316</u>	<u>34,070,555</u>	<u>36,598,871</u>	<u>-</u>
Total assets	<u>13,576,643</u>	<u>37,622,855</u>	<u>51,199,498</u>	<u>1,709,717</u>
<b>Deferred Outflows of Resources:</b>				
Contributions to pension plan in current fiscal year	28,598	28,598	57,196	-
Pension deferrals	<u>1,012</u>	<u>1,012</u>	<u>2,024</u>	<u>-</u>
Total deferred outflows of resources	<u>29,610</u>	<u>29,610</u>	<u>59,220</u>	<u>-</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	248,344	217,498	465,842	813,713
Accrued interest payable	4,001	437,259	441,260	-
Compensated absences payable	6,579	16,076	22,655	-
Accrued landfill post-closure care costs	932,549	-	932,549	-
Liabilities payable from restricted assets:				
Customer deposits	-	256,585	256,585	-
Notes payable	196,629	118,746	315,375	-
General obligation bonds payable	-	875,314	875,314	-
Revenue bonds payable	-	46,000	46,000	-
Total current liabilities	<u>1,388,102</u>	<u>1,967,478</u>	<u>3,355,580</u>	<u>813,713</u>
Non-current liabilities:				
Compensated absences payable	10,735	26,229	36,964	-
Accrued landfill post-closure care costs	6,993,267	-	6,993,267	-
Other post-employment benefits	30,389	35,351	65,740	-
Notes payable - non-current portion	979,786	1,919,734	2,899,520	-
Net pension liability	30,622	30,622	61,244	-
General obligation bonds payable - non-current	-	18,033,808	18,033,808	-
Revenue bonds payable - non-current	-	2,549,000	2,549,000	-
Total non-current liabilities	<u>8,044,799</u>	<u>22,594,744</u>	<u>30,639,543</u>	<u>-</u>
Total liabilities	<u>9,432,901</u>	<u>24,562,222</u>	<u>33,995,123</u>	<u>813,713</u>
<b>Deferred Inflows of Resources</b>	<u>16,026</u>	<u>16,026</u>	<u>32,052</u>	<u>-</u>
<b>Net Position:</b>				
Net investment in capital assets	1,513,711	10,541,444	12,055,155	-
Unrestricted	<u>2,643,615</u>	<u>2,532,773</u>	<u>5,176,388</u>	<u>896,004</u>
Total net position	<u>\$ 4,157,326</u>	<u>\$ 13,074,217</u>	<u>\$ 17,231,543</u>	<u>\$ 896,004</u>

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

## HALIFAX COUNTY, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	<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>
<b>Operating Revenues:</b>				
Water and sewer sales	\$ 5,080,255	\$ 5,590,090	\$ 10,670,345	\$ -
System tap and service fees	-	48,525	48,525	-
Charges for services	-	-	-	4,291,646
Total operating revenues	<u>5,080,255</u>	<u>5,638,615</u>	<u>10,718,870</u>	<u>4,291,646</u>
<b>Operating Expenses:</b>				
Administration	-	-	-	4,925,302
Water and sewer operations	-	3,631,306	3,631,306	-
Repairs and maintenance	-	92,708	92,708	-
Landfill operations	3,512,925	-	3,512,925	-
Landfill post-closure care costs	810,912	-	810,912	-
Depreciation	215,258	1,420,483	1,635,741	-
Total operating expenses	<u>4,539,095</u>	<u>5,144,497</u>	<u>9,683,592</u>	<u>4,925,302</u>
Operating income (loss)	<u>541,160</u>	<u>494,118</u>	<u>1,035,278</u>	<u>(633,656)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment earnings	9,048	2,863	11,911	1,910
Interest and fees paid	(29,492)	(1,069,283)	(1,098,775)	-
Total non-operating revenues (expenses)	<u>(20,444)</u>	<u>(1,066,420)</u>	<u>(1,086,864)</u>	<u>1,910</u>
Income (loss) before transfers and capital contributions	<u>520,716</u>	<u>(572,302)</u>	<u>(51,586)</u>	<u>(631,746)</u>
Transfers from other funds	-	-	-	900,000
Transfers to other funds	-	(459)	(459)	(246,500)
Capital contributions	-	404,482	404,482	-
Total transfers and capital contributions	<u>-</u>	<u>404,023</u>	<u>404,023</u>	<u>653,500</u>
Change in net position	520,716	(168,279)	352,437	21,754
<b>Net Position:</b>				
Beginning of year - July 1	<u>3,636,610</u>	<u>13,242,496</u>	<u>16,879,106</u>	<u>874,250</u>
End of year - June 30	<u>\$ 4,157,326</u>	<u>\$ 13,074,217</u>	<u>\$ 17,231,543</u>	<u>\$ 896,004</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, 2016

	Business-Type Activities			Governmental
	Major			Activities
	Solid Waste Fund	Water Fund	Total	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers	\$ 3,923,658	\$ 5,721,356	\$ 9,645,014	\$ 4,292,172
Cash paid for goods and services	(2,941,081)	(3,023,036)	(5,964,117)	(4,781,482)
Cash paid to employees for services	(506,842)	(611,488)	(1,118,330)	-
Net cash provided (used) by operating activities	<u>475,735</u>	<u>2,086,832</u>	<u>2,562,567</u>	<u>(489,310)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>				
Transfers in	-	-	-	900,000
Transfers out	-	(459)	(459)	(246,500)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(459)</u>	<u>(459)</u>	<u>653,500</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>				
Contributed capital received	-	404,482	404,482	-
Interest expense	(37,213)	(748,022)	(785,235)	-
Acquisition of capital assets	(33,598)	(624,080)	(657,678)	-
Long-term debt issued	-	230,886	230,886	-
Principal repayments on long-term debt	(192,624)	(1,010,553)	(1,203,177)	-
Net cash provided (used) by capital and related financing activities	<u>(263,435)</u>	<u>(1,747,287)</u>	<u>(2,010,722)</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>				
Interest on investments	<u>9,048</u>	<u>2,863</u>	<u>11,911</u>	<u>1,910</u>
Net cash provided (used) by investing activities	<u>9,048</u>	<u>2,863</u>	<u>11,911</u>	<u>1,910</u>
Net increase (decrease) in cash and cash equivalents	221,348	341,949	563,297	166,100
<b>Cash and Cash Equivalents:</b>				
Beginning of year - July 1	<u>5,081,358</u>	<u>2,532,835</u>	<u>7,614,193</u>	<u>1,543,585</u>
End of year - June 30	<u>\$ 5,302,706</u>	<u>\$ 2,874,784</u>	<u>\$ 8,177,490</u>	<u>\$ 1,709,685</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, 2016**

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste Fund</u>	<u>Water Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:</b>				
Operating income (loss)	\$ 541,160	\$ 494,118	\$ 1,035,278	\$ (633,656)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	215,258	1,420,483	1,635,741	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,155,289)	76,789	(1,078,500)	526
(Increase) decrease in inventories	-	(3,781)	(3,781)	-
Increase (decrease) in accounts payable and accrued liabilities	75,478	115,202	190,680	143,820
Increase (decrease) in customer deposits	-	(4,195)	(4,195)	-
(Increase) decrease in deferred outflows of resources for pension	(819)	(819)	(1,638)	-
(Increase) decrease in net pension asset	39,982	39,982	79,964	-
Increase (decrease) in net pension liability	30,622	30,622	61,244	-
Increase (decrease) in deferred inflows of resources for pensions	(81,569)	(81,569)	(163,138)	-
Increase (decrease) in accrued landfill closure and post-closure costs	810,912	-	810,912	-
Net cash provided (used) by operating activities	<u>\$ 475,735</u>	<u>\$ 2,086,832</u>	<u>\$ 2,562,567</u>	<u>\$ (489,310)</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, 2016

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash	\$ 119,557
Taxes receivable, net	<u>1,508,471</u>
Total assets	<u>\$ 1,628,028</u>
<b>Liabilities:</b>	
Miscellaneous liabilities	\$ 205,924
Intergovernmental payable	<u>1,422,104</u>
Total liabilities	<u>\$ 1,628,028</u>

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



This page left intentionally blank

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016, 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, 2016, 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, 2016

### 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.

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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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 seven 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 six capital projects funds within the governmental fund types: Manning Elementary School Design, Klausner Lumber Two Project, RPO Peanut Belt Capital Project, Piezotronics Project, QCSB Roanoke Rapids, and Project Freebird,

**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.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The Landfill Closure and Post-Closure Reserve Fund is consolidated with the Solid Waste Fund for financial reporting purposes. Also, there are several capital project funds that are consolidated into the Water Fund and Solid Waste Fund for financial reporting purposes.

**Internal Service Funds.** Internal service funds are used to account for the County's activities, which are similar to those often found in the private sector. The measurement focus is on the flow of economic resources. These funds are used to account for the financing of goods and services provided by a department to other departments of the County on a cost-reimbursement basis. The County maintains the following internal service funds: Health Insurance Fund and Unemployment Insurance Fund.

**Fiduciary Funds.** Fiduciary funds are used to account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

**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.

### **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, 2016

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, 2016

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 Finance Director is authorized to transfer appropriations within a department without limitation and without a report to the Board of Commissioners being required. The Finance Director 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, 2016

Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool is measured at amortized cost 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, 2016 is restricted for the purpose of debt retirement. Unexpended debt proceeds of \$18,100,000 in other governmental funds are restricted for the purpose for which they were borrowed related to school construction. 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.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
<b>Governmental Activities:</b>		
General Fund	QZAB Sinking Fund	\$ 1,088,053
General Fund	Reassessment	646,014
Other governmental funds	Unspent proceeds	18,100,000
		<u>19,834,067</u>
<b>Business-Type Activities:</b>		
Solid Waste Fund	Unspent proceeds	161,810
Water Fund	Unspent proceeds	13,491
Water Fund	Customer deposits	256,585
		<u>431,886</u>
Total restricted cash		<u>\$ 20,265,953</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **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, 2015. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

### **J. Allowances for Doubtful Accounts**

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

### **K. Inventories and Prepaid Items**

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

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 received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the School District and the Board of Education and are not reported in the assets of the County.

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

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

### **M. 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 another 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

*Restricted for Education* – portion of fund balance that can only be used for school capital per G.S. 159-18-22, 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.

<u>Purpose</u>	<u>General Fund</u>	<u>Manning</u>	<u>Klausner</u>	<u>Other Governmental</u>	<u>Total</u>
		<u>Elementary School Design</u>	<u>Lumber Two Project</u>		
Stabilization by State statute	\$ 9,667,648	\$ -	\$ 638,458	\$ 455,362	\$ 10,761,468
Human services	9,821,110	-	-	-	9,821,110
Education	-	18,318,028	-	66,886	18,384,914
Public safety	-	-	-	487,380	487,380
<b>Total</b>	<u>\$ 19,488,758</u>	<u>\$ 18,318,028</u>	<u>\$ 638,458</u>	<u>\$ 1,009,628</u>	<u>\$ 39,454,872</u>

Restricted net position on Exhibit A differs from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$18,100,000 at June 30, 2016.

**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>\$ 39,849</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

**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 2016-2017 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.

<b>Purpose</b>	<b>General Fund</b>
Public safety	\$ 1,504,632
Subsequent year's expenditures	<u>2,502,546</u>
Total	<u>\$ 4,007,178</u>

**Unassigned Fund Balance.** This classification represents the portion of fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. Only the General Fund may report a positive unassigned fund balance.

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	\$ 25,960,994
<b>Less:</b>	
Inventories	161,247
Prepays	32,188
Stabilization by State statute	9,667,648
Restricted, human services	9,821,110
Assigned, public safety	1,504,632
Appropriated fund balance - FY17	<u>2,502,546</u>
Remaining fund balance	<u>\$ 2,271,623</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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>\$ 25,314,980</u>
<b>Reassessment Fund:</b>	
Revenues:	
Investment earnings	1,061
Expenditures:	
General government	
Transfers in	150,000
Transfers out	(252,386)
<b>Fund Balance:</b>	
Beginning of year - July 1	<u>747,339</u>
End of year - June 30	<u>646,014</u>
Total ending fund balance (Exhibit D)	<u><u>\$ 25,960,994</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 or liability, 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, 2016

### 2. Detail Notes on All Funds

#### A. Assets

##### Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage (FDIC) are collateralized with securities held by the County's agent in the unit's name. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agents.

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

At June 30, 2016, the County's deposits had a carrying amount of \$34,738,413 and a bank balance of \$35,088,333. Of the bank balance, \$750,000 was covered by federal depository insurance and \$34,388,333 was covered by collateral held under the Pooling Method.

At June 30, 2016, the County had \$3,140 cash on hand.

##### Investments

At June 30, 2016, the County had \$15,955,574 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard & Poor's. All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

*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, 2016.

### 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.

<b>Year Ended</b>			
<b>June 30</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 1,121,185	\$ 375,597	\$ 1,496,782
2014	1,138,671	278,974	1,417,645
2015	1,147,841	177,915	1,325,756
2016	<u>2,397,831</u>	<u>155,859</u>	<u>2,553,690</u>
Total	<u>\$ 5,805,528</u>	<u>\$ 988,345</u>	<u>\$ 6,793,873</u>

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Receivables**

The receivables amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2016 are net of the following allowances:

	<b>Accounts</b>
<b>Governmental Activities:</b>	
General Fund	
Taxes receivable	\$ 644,434
Accounts receivable	991,931
Total governmental activities	\$ 1,636,365
 <b>Business-Type Activities:</b>	
Solid waste	
	\$ 188,801
Water Fund	216,335
Total business-type activities	\$ 405,136

Due from other governments consisted of the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Local option sales tax and other	\$ 210,194	\$ 37,295

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Capital Assets

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

	<b>Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance</b>
	<b>July 1, 2015</b>				<b>June 30, 2016</b>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Assets:</b>					
Land and improvements	\$ 3,700,690	\$ -	\$ -	\$ -	\$ 3,700,690
Construction in progress	<u>2,496,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,496,985</u>
Total non-depreciable capital assets	<u>6,197,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,197,675</u>
<b>Depreciable Assets:</b>					
Buildings and improvements	31,334,229	5,975	-	-	31,340,204
Vehicles	4,122,248	431,502	(277,961)	-	4,275,789
Equipment	<u>4,988,606</u>	<u>63,914</u>	<u>(7,364)</u>	<u>-</u>	<u>5,045,156</u>
Total depreciable capital assets	<u>40,445,083</u>	<u>501,391</u>	<u>(285,325)</u>	<u>-</u>	<u>40,661,149</u>
Total capital assets	<u>46,642,758</u>	<u>501,391</u>	<u>(285,325)</u>	<u>-</u>	<u>46,858,824</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and improvements	(15,998,168)	(1,034,211)	-	-	(17,032,379)
Vehicles	(3,082,438)	(398,064)	261,228	-	(3,219,274)
Equipment	<u>(4,531,649)</u>	<u>(152,048)</u>	<u>7,364</u>	<u>-</u>	<u>(4,676,333)</u>
Total accumulated depreciation	<u>(23,612,255)</u>	<u>\$ (1,584,323)</u>	<u>\$ 268,592</u>	<u>\$ -</u>	<u>(24,927,986)</u>
Governmental activities capital assets, net	<u>\$ 23,030,503</u>				<u>\$ 21,930,838</u>

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

<b>Governmental Activities:</b>	
General government	\$ 365,254
Public safety	654,630
Economic and physical development	232,730
Human services	329,058
Cultural and recreational	<u>2,651</u>
Total	<u>\$ 1,584,323</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Capital assets for proprietary funds of the County at June 30, 2016 are as follows:

	<b>Balance</b>	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>		<b>June 30, 2016</b>
<b>Business-Type Activities:</b>						
<b>Solid Waste:</b>						
<b>Non-Depreciable Assets:</b>						
Land	\$ 312,250	\$ -	\$ -	\$ -		\$ 312,250
Construction in progress	94,433	33,598	-	-		128,031
Total non-depreciable assets	406,683	33,598	-	-		440,281
<b>Depreciable Assets:</b>						
Other improvements	27,123	-	-	-		27,123
Buildings	1,853,739	-	-	-		1,853,739
Vehicles	698,930	-	-	(15,968)		682,962
Equipment	1,689,432	-	-	-		1,689,432
Total depreciable capital assets	4,269,224	-	-	(15,968)		4,253,256
<b>Less Accumulated Depreciation:</b>						
Other improvements	(21,341)	(1,614)	-	-		(22,955)
Buildings	(110,911)	(61,916)	-	-		(172,827)
Vehicles	(560,170)	(43,680)	-	15,968		(587,882)
Equipment	(1,273,509)	(108,048)	-	-		(1,381,557)
Total accumulated depreciation	(1,965,931)	\$ (215,258)	\$ -	\$ 15,968		(2,165,221)
Total solid waste capital assets, net	\$ 2,709,976					\$ 2,528,316

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<b>Water Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 124,477	\$ -	\$ -	\$ -	\$ 124,477
Construction in progress	4,894,938	624,080	-	-	5,519,018
Total non-depreciable capital assets	<u>5,019,415</u>	<u>624,080</u>	<u>-</u>	<u>-</u>	<u>5,643,495</u>
<b>Depreciable Assets:</b>					
Plant and distribution centers	49,734,147	-	-	-	49,734,147
Vehicles	360,973	-	(41,422)	15,968	335,519
Equipment and furniture	1,947,189	-	-	-	1,947,189
Total depreciable capital assets	<u>52,042,309</u>	<u>-</u>	<u>(41,422)</u>	<u>15,968</u>	<u>52,016,855</u>
<b>Less Accumulated Depreciation:</b>					
Plant and distribution centers	(20,019,312)	(1,369,928)	-	-	(21,389,240)
Vehicles	(278,175)	(20,827)	41,422	(15,968)	(273,548)
Equipment and furniture	(1,897,279)	(29,728)	-	-	(1,927,007)
Total accumulated depreciation	<u>(22,194,766)</u>	<u>\$(1,420,483)</u>	<u>\$ 41,422</u>	<u>\$ (15,968)</u>	<u>(23,589,795)</u>
Total water capital assets, net	<u>34,866,958</u>				<u>34,070,555</u>
Business-type activities capital assets, net	<u>\$ 37,576,934</u>				<u>\$ 36,598,871</u>

### Net Investment in Capital Assets

The net investment in capital assets at June 30, 2016 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 21,930,838</u>	<u>\$ 36,598,871</u>
Total debt, gross	34,154,705	24,719,017
Long-term debt for assets not owned by the County	30,054,872	-
Unexpended proceeds	<u>-</u>	<u>175,301</u>
Total capital debt	<u>4,099,833</u>	<u>24,543,716</u>
Net investment in capital assets	<u>\$ 17,831,005</u>	<u>\$ 12,055,155</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Debt Related to Capital Activities

Of the total governmental activities debt listed, only \$4,099,833 relates to assets to which the County holds title. Unexpended debt proceeds of \$18,100,000 in other governmental funds is related to assets not owned by the County.

### B. Liabilities

#### Construction Commitments

The County has three active construction projects as of June 30, 2016: PRO Construction, Inc, \$17,328,356 related to Manning Elementary School construction; PLT Construction, Inc, \$2,152,419.45 related to Klausner Rail Spur project and The CROM Corporation, \$1,589,850 related to the Project Freebird Water Storage.

#### Payables

Payables at Exhibit A for June 30, 2016 were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 1,370,338	\$ 599,333	\$ -	\$ 1,969,671
Manning Elementary School Design	3,833	-	-	3,833
Klausner Lumber Two Project	3,893,558	-	-	3,893,558
Other governmental	<u>252,952</u>	<u>-</u>	<u>-</u>	<u>252,952</u>
Total governmental activities	<u>\$ 5,520,681</u>	<u>\$ 599,333</u>	<u>\$ -</u>	<u>\$ 6,120,014</u>
<b>Business-Type Activities:</b>				
Solid waste	\$ 248,344	\$ -	\$ -	\$ 248,344
Water	<u>200,382</u>	<u>-</u>	<u>17,116</u>	<u>217,498</u>
Total business-type activities	<u>\$ 448,726</u>	<u>\$ -</u>	<u>\$ 17,116</u>	<u>\$ 465,842</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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](http://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, 2016

**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, 2016 was 7.15% of compensation for law enforcement officers and 6.76% 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 \$1,429,886 for the year ended June 30, 2016.

**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, 2016, the County reported a liability of \$1,531,061 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2015, the County's proportion was .341%, which was an increase of .002% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$840,659. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 359,887
Net difference between projected and actual earnings on pension plan investments	-	435,888
Changes in proportion and differences between County contributions and proportionate share of contributions	50,618	5,562
County's contributions subsequent to the measurement date	<u>1,429,886</u>	<u>-</u>
Total	<u>\$ 1,480,504</u>	<u>\$ 801,337</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

\$1,429,886 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Total</b>
2017	\$ (496,495)
2018	(496,495)
2019	(495,926)
2020	738,197
2021	-
Thereafter	-

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 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.

The actuarial assumptions used in the December 31, 2014 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	29.0%	2.2%
Global equity	42.0%	5.8%
Real estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation protection	<u>6.0%</u>	3.4%
Total	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 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 3.00%. All rates of return and inflation are annualized.

**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 Liability to Changes in the Discount Rate.* The following presents the County's proportionate share of the net pension liability 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:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability (asset)	\$ 10,676,302	\$ 1,531,061	\$ (6,173,602)

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

**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 0.85% 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.

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>66</u>
Total	<u><u>72</u></u>

### **Summary of Significant Accounting Policies**

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

**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 on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$77,863, or 1.03%, of annual covered payroll.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, 2014 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 investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

**Annual Pension Cost and Net Pension Obligation.** The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 144,565
Interest on net pension obligation	39,229
Adjustment to annual required contribution	<u>(68,945)</u>
Annual pension cost	114,849
Benefit payments made	<u>(77,863)</u>
Increase (decrease) in net pension obligation	36,986
Net pension obligation:	
Beginning of year - July 1	<u>784,576</u>
End of year - June 30	<u><u>\$ 821,562</u></u>

### Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 102,601	24.37%	\$ 703,527
2015	106,049	23.57%	784,576
2016	114,849	67.80%	821,562

**Funded Status and Funding Progress.** As of December 31, 2015, the most recent actuarial valuation date, the plan was 2.81% funded. The Actuarial Accrued Liability for benefits was \$1,579,681 and the Actuarial Value of Assets was \$44,328, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$1,535,353. The covered payroll (annual payroll of active employees covered by the plan) was \$2,682,099 and the ratio of the UAAL to the covered payroll was 57.24%.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

### **Supplemental Retirement Income Plan**

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

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 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, 2016 were \$344,037, which consisted of \$127,315 from the County, \$29,839 from the law enforcement officers, and \$186,883 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](http://www.osc.nc.gov).

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

**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 \$3,449 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$101,773 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was .439%, which was an increase of .011% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$(4,735). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 498	\$ 1,685
Net difference between projected and actual earnings on pension plan investments	5,047	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,787
County's contributions subsequent to the measurement date	3,449	-
<b>Total</b>	<b>\$ 8,994</b>	<b>\$ 5,472</b>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

\$3,449 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, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Total</u>
2017	\$ (1,656)
2018	(558)
2019	926
2020	1,361
2021	-
Thereafter	-

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 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, 2014 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 2.2%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 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)	\$ (91,822)	\$ (101,773)	\$ (110,337)

**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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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.

County Contributions Based on Years of Creditable Service			
Years of Creditable Service	Date Hired		
		Pre-July 1,	On or after July 1, 2007
Less than 3 years	0%	0%	
3-15	50%	50%	
15+	100%	75%	

Membership of the Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

	<b>General</b>	<b>Law</b>
	<b>Employees</b>	<b>Enforcement Officers</b>
Retirees and dependents receiving benefits	33	N/A
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	484	68
Total	517	68

**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 2.12% of annual covered payroll. For the current year, the County contributed \$488,196, or 2.34%, 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, 2016

**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:

	<b>Governmental Activities</b>	<b>Business -Type Activities</b>	<b>Total</b>
Annual required contribution	\$ 425,961	\$ 16,177	\$ 442,138
Interest on net OPEB obligation	65,777	2,498	68,275
Adjustments to annual required contribution	(62,838)	(2,386)	(65,224)
Annual OPEB cost (expense)	428,900	16,289	445,189
Contributions made	(470,333)	(17,863)	(488,196)
Increase (decrease) in net OPEB obligation	(41,433)	(1,574)	(43,007)
Net OPEB obligation:			
Beginning of year - July 1	1,639,569	67,314	1,706,883
End of year - June 30	<u>\$ 1,598,136</u>	<u>\$ 65,740</u>	<u>\$ 1,663,876</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 431,663	58.0%	\$ 1,525,443
2015	431,987	58.0%	1,706,883
2016	445,189	109.7%	1,663,876

**Fund Status and Funding Progress.** As of December 31, 2015, 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 \$6,639,635. The covered payroll (annual payroll of active employees covered by the Plan) was \$20,854,207, and the ratio of the UAAL to the covered payroll was 31.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, 2015, 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 pre-Medicare 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, 2015 was 30 years.

As of June 30, 2016, 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 Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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.

### **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 \$7,925,816 reported as landfill post-closure care liability at June 30, 2016, 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 2016. 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 \$5,054,657 has been recorded on the balance sheet for the Monofill portion of the landfill post-closure care liability.

The County has met the requirements of a local government financial test that is one option under federal and State laws and regulations that help determine if a unit is financially able to meet post-closure care requirements. Management continues to analyze the costs associated with the above-mentioned environmental regulations and believes future funding will be available to meet all of the costs related to these regulations. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. Those funds are held in investments with a cost of \$77,979 (market value – \$77,979) 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, 2016

### Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources are comprised of the following:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions to pension plans in the current fiscal year	\$ 1,433,335	\$ -
Pensions - difference between expected and actual experience	498	361,572
Pensions - difference between projected and actual investment earnings	5,047	435,888
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	50,618	9,349
Taxes receivable, net (general)	-	1,980,409
Taxes receivable, net (special revenue)	-	357,185
Prepaid taxes not yet earned (general)	-	115,016
	\$ 1,489,498	\$ 3,259,419

### 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 through the North Carolina Association of County Commissioners with claims being processed by Sedgwick Claims Management Services. Workers' compensation claims are also administered by Sedgwick. Through the NCACC, the County obtains coverage up to the statutory limits.

The County obtained blanket property insurance coverage of \$77,306,300 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

employee for dependents. A third party administrator paid by the County administers health benefits and pays claims. The County has stop-loss insurance coverage with a commercial insurance company for claims that exceed \$85,000. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Changes in the fund's claims liability amounts for fiscal year 2015-2016 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Beginning</u> <u>Liability</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Ending</u> <u>Liability</u>
2015	\$ 573,225	\$ 3,875,914	\$ (3,849,806)	\$ 599,333
2016	599,333	5,115,396	(4,910,680)	804,049

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, 2016, 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.

## HALIFAX COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 \$159,045 and book value is \$347,647.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2017	\$ 21,354
2018	21,364
2019	21,364
2020	21,364
2021	21,364
2022-2026	<u>86,767</u>
Total minimum lease payments	193,577
Less: amount representing interest	<u>(52,379)</u>
Present value of minimum lease payments	<u>\$ 141,198</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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	\$ 8,500,000
\$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	3,777,385
\$2,488,997 Qualified School Construction Bond installments purchase contract payable in annual sinking fund payments of \$165,933. Scheduled payments to be made by the County assume project investment earnings at a fixed rate of 1.791%.	1,812,472
3.1%, \$18,100,000 bank note, payable in semi-annual installments ranging from \$883,883 to \$612,685 including interest beginning November 2016 through May 2031; secured by school, to be transferred to the Board of Education	18,100,000
1.43%, \$450,000 note, payable in annual installments of \$92,574 including interest beginning December 2013 through 2017; secured by EMS building	<u>181,250</u>
Total notes payable	<u>\$ 34,013,507</u>

As of June 30, 2016, funds totaling \$1,088,053 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, 2016

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

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 2,690,320	\$ 1,227,274	\$ 3,917,594
2018	2,691,607	1,138,250	3,829,857
2019	2,600,338	1,046,982	3,647,320
2020	2,600,338	957,703	3,558,041
2021	2,600,338	868,425	3,468,763
2022-2026	14,644,092	2,979,938	17,624,030
2027-2031	<u>6,186,474</u>	<u>576,565</u>	<u>6,763,039</u>
Total	<u>\$ 34,013,507</u>	<u>\$ 8,795,137</u>	<u>\$ 42,808,644</u>

**Serviced by the Solid Waste Fund:**

1.63%, \$150,284 bank note, payable in annual installments of \$31,037, including interest beginning January 2013 through January 2017; secured by equipment

\$ 30,539

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

1,145,876

Total notes payable - solid waste

1,176,415

**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

1,159,130

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

879,350

Total notes payable - water and sewer

2,038,480

Total notes payable - enterprise funds

\$ 3,214,895

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 315,375	\$ 23,748	\$ 339,123
2018	288,426	20,159	308,585
2019	292,094	16,491	308,585
2020	295,841	12,743	308,584
2021	299,699	8,915	308,614
2022-2026	872,474	6,014	878,488
2027-2031	593,732	-	593,732
2032	257,254	-	257,254
Total	<u>\$ 3,214,895</u>	<u>\$ 88,070</u>	<u>\$ 3,302,965</u>

### General Obligation Indebtedness

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

Bonds payable at June 30, 2016 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	\$ 3,450,000
\$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	6,375,000
\$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	1,802,000
\$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>7,282,122</u>
Total bonds payable	<u>\$ 18,909,122</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

<b>Year Ending</b>				
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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	974,250	492,393	1,466,643	
2022-2026	5,318,881	2,204,572	7,523,453	
2027-2031	3,300,837	1,347,784	4,648,621	
2032-2036	1,213,000	1,024,083	2,237,083	
2037-2041	1,473,000	765,553	2,238,553	
2042-2046	1,785,000	451,401	2,236,401	
2047-2031	1,199,000	95,204	1,294,204	
Total	<u>\$ 18,909,122</u>	<u>\$ 8,849,386</u>	<u>\$ 27,758,508</u>	

### 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, 2016 is \$2,595,000.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

<b>Year Ending</b>				
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2017	\$ 46,000	\$ 51,900	\$ 97,900	
2018	47,000	50,980	97,980	
2019	48,000	50,040	98,040	
2020	49,000	49,080	98,080	
2021	50,000	48,100	98,100	
2022-2026	265,000	225,100	490,100	
2027-2031	294,000	197,480	491,480	
2031-2036	324,000	166,880	490,880	
2037-2041	358,000	133,140	491,140	
2042-2046	395,000	95,920	490,920	
2047-2051	437,000	54,760	491,760	
2052-2054	282,000	11,320	293,320	
Total	<u>\$ 2,595,000</u>	<u>\$ 1,134,700</u>	<u>\$ 3,729,700</u>	

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, 2016 is as follows:

Revenues	\$ 5,638,615
Operating expense*	<u>(3,724,014)</u>
Net revenues	<u>\$ 1,914,601</u>
Debt service, revenue bond only	<u>\$ 97,800</u>
Debt service coverage ratio	<u>1958%</u>
Debt service, GO bonds, revenue bonds, and notes payable	<u>\$ 1,758,575</u>
Debt service coverage ratio	<u>108.87%</u>

\*Excludes depreciation of \$1,420,483

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016:

	<b>Restated</b>			<b>Balance</b>	<b>Current</b>
	<b>Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance</b>	<b>Portion of</b>
	<b>July 1, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2016</b>	<b>June 30, 2016</b>	<b>Balance</b>
<b>Governmental Activities:</b>					
Notes payable	\$ 17,566,090	\$ 18,036,030	\$ (1,588,613)	\$ 34,013,507	\$ 2,690,320
Capital leases	158,397	-	(17,199)	141,198	16,116
Compensated absences	1,484,595	823,505	(698,491)	1,609,609	700,000
Net pension liability (LGERS)	-	1,469,817	-	1,469,817	-
Other post-employment benefits	1,639,569	491,738	(533,171)	1,598,136	-
Unfunded Special					
Separation Allowance	784,576	114,849	(77,863)	821,562	-
Total governmental activities	<u>\$ 21,633,227</u>	<u>\$ 20,935,939</u>	<u>\$ (2,915,337)</u>	<u>\$ 39,653,829</u>	<u>\$ 3,406,436</u>
<b>Business-Type Activities:</b>					
<b>Solid Waste:</b>					
Note payable	\$ 1,369,039	\$ -	\$ (192,624)	\$ 1,176,415	\$ 196,629
Accrued landfill closure and					
post-closure care costs	7,114,904	810,912	-	7,925,816	932,549
Net pension liability (LGERS)	-	30,622	-	30,622	-
Other post-employment benefits	31,099	8,434	(9,144)	30,389	-
Compensated absences	34,572	7,910	(25,168)	17,314	6,579
Total solid waste activities	<u>8,549,614</u>	<u>857,878</u>	<u>(226,936)</u>	<u>9,180,556</u>	<u>1,135,757</u>
<b>Water:</b>					
General obligation debt	19,755,928	-	(846,806)	18,909,122	875,314
Revenue bonds	2,640,000	-	(45,000)	2,595,000	46,000
Notes payable	1,926,341	230,886	(118,747)	2,038,480	118,746
Net pension liability (LGERS)	-	30,622	-	30,622	-
Other post-employment benefits	36,215	10,241	(11,105)	35,351	-
Compensated absences	31,718	18,159	(7,572)	42,305	16,076
Total water activities	<u>24,390,202</u>	<u>289,908</u>	<u>(1,029,230)</u>	<u>23,650,880</u>	<u>1,056,136</u>
Total business-type activities	<u>\$ 32,939,816</u>	<u>\$ 1,147,786</u>	<u>\$ (1,256,166)</u>	<u>\$ 32,831,436</u>	<u>\$ 2,191,893</u>

At June 30, 2016, the County had a legal debt margin of \$218,431,000.

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, 2016

### Conduit Debt Obligations

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

### C. Interfund Balances and Activity

Transfers from/to other funds at June 30, 2016 consist of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other nonmajor governmental funds	\$ 54,130	Project funding
General Fund	Internal Service Fund	900,000	Fund internal service program
Internal Service Fund	General Fund	246,500	Fund internal service program
Water Fund	Other nonmajor governmental funds	459	Project funding
Total		<u>\$ 1,201,089</u>	

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Non-major Capital project funds	<u>\$ 1,149,869</u>

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

### D. On-Behalf Payments for Fringe Benefits and Salaries

Note disclosures for on-behalf payments paid by the Firemen's Relief Fund for fringe benefits and salaries have not been included because they have been deemed immaterial to Halifax County.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 3. 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.

### 4. 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 \$1,545,320 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2016. 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, 2016. 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, 2016. 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, 2016. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. The County appropriated \$40,000 to the Regional Airport Authority to supplement its activities.

### 5. 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 \$24,650 to the Council during the fiscal year ended June 30, 2016.

### 6. 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.

	<b>Federal</b>	<b>State</b>
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
<b>Total</b>	<b>\$ 75,294,488</b>	<b>\$ 41,793,504</b>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 7. 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.

### 8. Change in Accounting Principles/Restatement

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the County reclassified the Law Enforcement Officers' Special Separation Allowance Trust Fund to the General Fund. As a result, net position for the governmental activities and fund balance for the General Fund increased by \$31,033.



This page left intentionally blank

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

- **Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance**
- **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 Three Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Contributions for the Last Three Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Proportionate Share of Net Pension Liability (Asset) for the Last Three Fiscal Years for the Register of Deeds' Supplemental Pension Fund**
- **Halifax County's Contributions for the Last Three Fiscal Years for the Register of Deeds' Supplemental Pension Fund**



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

## 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
12/31/2015	\$ 44,328	\$ 1,579,681	\$ 1,535,353	2.81%	\$ 2,682,099	57.24%
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%

**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	12/31/2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Asset valuation method	Market value

## Actuarial assumptions:

Investment rate of return *	3.57%
Projected salary increases *	3.50-7.35%
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, 2016**

**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%
12/31/2015	-	6,639,635	6,639,635	0.00%	20,854,207	31.80%

**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%
2016	442,138	110.42%

**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, 2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Pre-Medicare trend rate	7.75% - 5.00%
Year of ultimate trend rate	2022

\*Includes inflation of 3.00%      3%

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

<b>Local Governmental Employees' Retirement System</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Halifax County's proportion of the net pension liability (asset) (%)	0.341%	0.339%	0.348%
Halifax County's proportion of the net pension liability (asset) (\$)	\$ 1,531,061	\$ (1,999,122)	\$ 4,195,942
Halifax County's covered-employee payroll	\$ 20,409,317	\$ 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	7.50%	-9.78%	21.88%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	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 THREE FISCAL YEARS

	<u>Local Governmental Employees' Retirement System</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,429,886	\$ 1,439,526	\$ 1,438,766
Contributions in relation to the contractually required contribution	<u>1,429,886</u>	<u>1,439,526</u>	<u>1,438,766</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Halifax County's covered-employee payroll	\$ 21,143,405	\$ 20,409,317	\$ 20,433,406
Contributions as a percentage of covered-employee payroll	6.76%	7.05%	7.04%

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

<b>Register of Deeds' Supplemental Pension Fund</b>			
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Halifax County's proportion of the net pension liability (asset) (%)	0.43917%	0.42865%	0.40189%
Halifax County's proportion of the net pension liability (asset) (\$)	\$ (101,773)	\$ (97,158)	\$ (85,844)
Halifax County's covered-employee payroll	\$ 242,401	\$ 243,554	\$ 238,270
Halifax County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-41.99%	-39.89%	-36.03%
Plan fiduciary net position as a percentage of the total pension liability	197.29%	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 THREE FISCAL YEARS**

**Register of Deeds' Supplemental Pension Fund**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,449	\$ 3,514	\$ 3,500
Contributions in relation to the contractually required contribution	<u>3,449</u>	<u>3,514</u>	<u>3,500</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Halifax County's covered-employee payroll	\$ 246,453	\$ 242,401	\$ 243,554
Contributions as a percentage of covered-employee payroll	1.40%	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.**



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ACTUAL - GENERAL FUND CONSOLIDATED  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Public Health Fund	Social Services Fund	Emergency Management Services Fund	General Fund Total	Reassessment Fund	Eliminations	Total Consolidated General Fund
<b>Revenues:</b>								
Ad valorem taxes	\$ 24,598,073	\$ -	\$ -	\$ -	\$ 24,598,073	\$ -	\$ -	\$ 24,598,073
Other taxes and licenses	7,542,035	-	-	-	7,542,035	-	-	7,542,035
Unrestricted intergovernmental revenues	361,425	-	-	-	361,425	-	-	361,425
Restricted intergovernmental revenues	2,177,008	4,737,829	10,236,448	571,151	17,722,436	-	-	17,722,436
Permits and fees	1,354,111	-	4,735	-	1,358,846	-	-	1,358,846
Sales and services	1,555,993	11,146	-	2,310,215	3,877,354	-	-	3,877,354
Investment earnings	46,130	-	-	-	46,130	1,061	-	47,191
Miscellaneous	494,607	16,004	4,072	3,147	517,830	-	-	517,830
Total revenues	<u>38,129,382</u>	<u>4,764,979</u>	<u>10,245,255</u>	<u>2,884,513</u>	<u>56,024,129</u>	<u>1,061</u>	<u>-</u>	<u>56,025,190</u>
<b>Expenditures:</b>								
General government	7,161,747	-	-	-	7,161,747	-	-	7,161,747
Public safety	9,140,976	-	-	5,247,478	14,388,454	-	-	14,388,454
Economic and physical development	881,730	-	-	-	881,730	-	-	881,730
Human services	1,167,420	5,951,925	14,168,952	-	21,288,297	-	-	21,288,297
Cultural and recreational	655,299	-	-	-	655,299	-	-	655,299
Education	9,317,592	-	-	-	9,317,592	-	-	9,317,592
Debt service:								
Principal	1,517,099	-	-	88,713	1,605,812	-	-	1,605,812
Interest	798,192	-	-	3,860	802,052	-	-	802,052
Total expenditures	<u>30,640,055</u>	<u>5,951,925</u>	<u>14,168,952</u>	<u>5,340,051</u>	<u>56,100,983</u>	<u>-</u>	<u>-</u>	<u>56,100,983</u>
Revenues over (under) expenditures	<u>7,489,327</u>	<u>(1,186,946)</u>	<u>(3,923,697)</u>	<u>(2,455,538)</u>	<u>(76,854)</u>	<u>1,061</u>	<u>-</u>	<u>(75,793)</u>
<b>Other Financing Sources (Uses):</b>								
Intrafund transfers	(9,888,591)	2,168,837	5,618,663	2,203,477	102,386	(102,386)	-	-
Transfers in:								
Internal Service Fund	246,500	-	-	-	246,500	-	-	246,500
Transfers out:								
Capital projects funds	(54,130)	-	-	-	(54,130)	-	-	(54,130)
Internal Service Fund	(900,000)	-	-	-	(900,000)	-	-	(900,000)
Total other financing sources (uses)	<u>(10,596,221)</u>	<u>2,168,837</u>	<u>5,618,663</u>	<u>2,203,477</u>	<u>(605,244)</u>	<u>(102,386)</u>	<u>-</u>	<u>(707,630)</u>
Net change in fund balances	<u>(3,106,894)</u>	<u>981,891</u>	<u>1,694,966</u>	<u>(252,061)</u>	<u>(682,098)</u>	<u>(101,325)</u>	<u>-</u>	<u>(783,423)</u>
<b>Fund Balance:</b>								
Beginning of year - July 1	17,065,099	4,367,998	2,776,255	1,756,693	25,966,045	747,339	-	26,713,384
Restatement	31,033	-	-	-	31,033	-	-	31,033
Beginning of year - July 1 - restated	<u>17,096,132</u>	<u>4,367,998</u>	<u>2,776,255</u>	<u>1,756,693</u>	<u>25,997,078</u>	<u>747,339</u>	<u>-</u>	<u>26,744,417</u>
End of year - June 30	<u>\$ 13,989,238</u>	<u>\$ 5,349,889</u>	<u>\$ 4,471,221</u>	<u>\$ 1,504,632</u>	<u>\$ 25,314,980</u>	<u>\$ 646,014</u>	<u>\$ -</u>	<u>\$ 25,960,994</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, 2016**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Social Services Fund</u>	<u>Emergency Management Services Fund</u>	<u>Total</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 24,598,073	\$ -	\$ -	\$ -	\$ 24,598,073
Other taxes and licenses	7,542,035	-	-	-	7,542,035
Unrestricted intergovernmental revenues	361,425	-	-	-	361,425
Restricted intergovernmental revenues	2,177,008	4,737,829	10,236,448	571,151	17,722,436
Permits and fees	1,354,111	-	4,735	-	1,358,846
Sales and services	1,555,993	11,146	-	2,310,215	3,877,354
Investment earnings	46,130	-	-	-	46,130
Miscellaneous	494,607	16,004	4,072	3,147	517,830
Total revenues	<u>38,129,382</u>	<u>4,764,979</u>	<u>10,245,255</u>	<u>2,884,513</u>	<u>56,024,129</u>
<b>Expenditures:</b>					
General government	7,161,747	-	-	-	7,161,747
Public safety	9,140,976	-	-	5,247,478	14,388,454
Economic and physical development	881,730	-	-	-	881,730
Human services	1,167,420	5,951,925	14,168,952	-	21,288,297
Cultural and recreational	655,299	-	-	-	655,299
Education	9,317,592	-	-	-	9,317,592
Debt service:					
Principal	1,517,099	-	-	88,713	1,605,812
Interest	798,192	-	-	3,860	802,052
Total expenditures	<u>30,640,055</u>	<u>5,951,925</u>	<u>14,168,952</u>	<u>5,340,051</u>	<u>56,100,983</u>
Revenues over (under) expenditures	<u>7,489,327</u>	<u>(1,186,946)</u>	<u>(3,923,697)</u>	<u>(2,455,538)</u>	<u>(76,854)</u>
<b>Other Financing Sources (Uses):</b>					
Intrafund transfers in (out)	(9,888,591)	2,168,837	5,618,663	2,203,477	102,386
Transfers in:					
Internal Service Fund	246,500	-	-	-	246,500
Transfers out:					
Capital projects funds	(54,130)	-	-	-	(54,130)
Internal Service Fund	(900,000)	-	-	-	(900,000)
Total other financing sources (uses)	<u>(10,596,221)</u>	<u>2,168,837</u>	<u>5,618,663</u>	<u>2,203,477</u>	<u>(605,244)</u>
Net change in fund balances	<u>(3,106,894)</u>	<u>981,891</u>	<u>1,694,966</u>	<u>(252,061)</u>	<u>(682,098)</u>
<b>Fund Balance:</b>					
Beginning of year - July 1	17,065,099	4,367,998	2,776,255	1,756,693	25,966,045
Prior period adjustment	31,033	-	-	-	31,033
Beginning of year - July 1 - restated	<u>17,096,132</u>	<u>4,367,998</u>	<u>2,776,255</u>	<u>1,756,693</u>	<u>25,997,078</u>
End of year - June 30	<u>\$ 13,989,238</u>	<u>\$ 5,349,889</u>	<u>\$ 4,471,221</u>	<u>\$ 1,504,632</u>	<u>\$ 25,314,980</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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 25,114,178	\$ 24,455,783	\$ (658,395)	\$ 24,626,961
Penalties and interest	180,000	142,290	(37,710)	158,709
Total	25,294,178	24,598,073	(696,105)	24,785,670
<b>Other Taxes and Licenses:</b>				
Local option sales taxes	7,255,471	7,448,133	192,662	7,617,338
Cable franchise tax	100,000	93,902	(6,098)	99,262
Total	7,355,471	7,542,035	186,564	7,716,600
<b>Unrestricted Intergovernmental:</b>				
Fines and forfeitures	240,000	227,323	(12,677)	239,027
Beer and wine	-	134,102	134,102	146,773
Total	240,000	361,425	121,425	385,800
<b>Restricted Intergovernmental:</b>				
Federal and State grants	1,364,915	1,373,762	8,847	1,357,519
Lottery proceeds	699,000	348,718	(350,282)	439,536
Halifax ABC revenue	148,275	155,695	7,420	173,065
USDA commodity food	214,412	298,833	84,421	346,009
Total	2,426,602	2,177,008	(249,594)	2,316,129
<b>Permits and Fees:</b>				
Facility fees	65,000	69,356	4,356	68,455
Building inspection fees	154,000	119,792	(34,208)	142,697
Register of Deeds' fees	225,000	270,524	45,524	265,252
Other fees and rents	859,518	894,439	34,921	842,499
Total	1,303,518	1,354,111	50,593	1,318,903
<b>Sales and Services:</b>				
Occupancy tax administration	847,882	847,882	-	793,819
Jail fees	27,500	40,383	12,883	34,138
Central communications	309,053	309,138	85	334,193
Other sales and services	384,744	358,590	(26,154)	344,093
Total	1,569,179	1,555,993	(13,186)	1,506,243
<b>Investment Earnings</b>				
	12,500	46,130	33,630	29,477
<b>Miscellaneous</b>				
	440,664	494,607	53,943	346,497
Total revenues	38,642,112	38,129,382	(512,730)	38,405,319
<b>Expenditures:</b>				
<b>General Government:</b>				
Governing body:				
Salaries and employee benefits	100,699	91,945		89,680
Operating expenditures	81,135	73,334		76,101
Total	181,834	165,279	16,555	165,781

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
Administration:				
Salaries and employee benefits	555,633	505,342		519,312
Operating expenditures	43,876	31,033		29,466
Total	599,509	536,375	63,134	548,778
Human resources:				
Salaries and employee benefits	302,458	287,846		295,344
Operating expenditures	10,892	9,704		9,371
Total	313,350	297,550	15,800	304,715
Non-departmental expenditures:				
Operating expenditures	2,062,248	1,550,436		1,357,011
Capital outlay	-	-		1,131,874
Total	2,062,248	1,550,436	511,812	2,488,885
Finance:				
Salaries and employee benefits	422,621	420,723		406,956
Operating expenditures	23,079	18,455		22,088
Total	445,700	439,178	6,522	429,044
Tax administration:				
Salaries and employee benefits	961,624	940,031		918,559
Operating expenditures	225,024	155,104		148,456
Total	1,186,648	1,095,135	91,513	1,067,015
Revaluation:				
Salaries and employee benefits	103,588	77,081		118,864
Operating expenditures	169,483	5,730		31,814
Total	273,071	82,811	190,260	150,678
Legal:				
Salaries and employee benefits	184,930	178,538		184,824
Operating expenditures	77,631	45,051		13,625
Total	262,561	223,589	38,972	198,449
Elections:				
Salaries and employee benefits	149,637	149,455		114,579
Operating expenditures	124,244	115,681		63,253
Total	273,881	265,136	8,745	177,832
Register of Deeds:				
Salaries and employee benefits	327,808	301,589		311,213
Operating expenditures	76,034	72,977		82,971
Capital outlay	30,402	27,562		19,656
Total	434,244	402,128	32,116	413,840

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
Information technology services:				
Salaries and employee benefits	241,814	233,738		181,951
Operating expenditures	231,127	212,100		174,756
Capital outlay	7,435	6,720		-
Total	480,376	452,558	27,818	356,707
Maintenance and repairs - public buildings:				
Operating expenditures	517,981	472,578		360,915
Capital outlay	5,975	5,975		6,950
Total	523,956	478,553	45,403	367,865
Operations:				
Salaries and employee benefits	819,737	803,088		773,056
Operating expenditures	96,733	76,801		74,850
Total	916,470	879,889	36,581	847,906
Other general government:				
Fuel center	3,593	2,330	1,263	2,842
Judicial services	17,219	14,789	2,430	13,088
Magistrates	7,940	7,940	-	7,940
Public buildings	11,000	9,058	1,942	9,732
Historic courthouse	132,075	86,985	45,090	125,162
Criminal justice building	9,779	8,827	952	9,318
Permits and inspections	8,722	5,708	3,014	8,199
Community corrections building	16,332	11,206	5,126	13,824
Littleton building	310	302	8	279
Court service	91,061	82,180	8,881	90,967
Rural Life complex	17,400	13,814	3,586	15,310
Agriculture complex	33,774	30,991	2,783	37,238
CADA	38,000	19,000	19,000	19,000
Total	387,205	293,130	94,075	352,899
Total general government	8,341,053	7,161,747	1,179,306	7,870,394
<b>Public Safety:</b>				
Sheriff's department:				
Salaries and employee benefits	3,680,320	3,649,643		3,515,284
Operating expenditures	817,902	760,144		753,772
Capital outlay	103,099	103,099		122,930
Total	4,601,321	4,512,886	88,435	4,391,986
Jail:				
Salaries and employee benefits	1,460,178	1,450,091		1,186,159
Operating expenditures	1,204,689	1,155,372		1,015,946
Capital outlay	100,260	38,565		7,730
Total	2,765,127	2,644,028	121,099	2,209,835

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
Emergency management:				
Salaries and employee benefits	58,189	51,161		56,532
Operating expenditures	18,715	13,850		14,607
Total	76,904	65,011	11,893	71,139
Central communications:				
Salaries and employee benefits	1,130,995	1,130,995		1,035,201
Operating expenditures	59,478	48,462		51,444
Total	1,190,473	1,179,457	11,016	1,086,645
Donations:				
Fire departments and rescue squads	79,000	79,000	-	79,000
Planning and inspections:				
Salaries and employee benefits	367,748	364,924		353,543
Operating expenditures	52,432	30,532		28,483
Capital outlay	25,050	20,619		-
Total	445,230	416,075	29,155	382,026
Other public safety:				
Coroner	42,000	37,900	4,100	25,300
Other donations	25,000	25,000	-	17,500
Controlled substance tax expenditures	35,000	17,757	17,243	18,785
Drug task force expenditures	13,500	-	13,500	-
DTF - federal asset forfeiture	131,141	49,817	81,324	58,366
Emergency management supplement	101,799	57,578	44,221	34,471
Sheriff Bulletproof Vest grant	2,155	-	2,155	-
Homeland Security Waterway Exercise grant	6,000	-	6,000	-
Justice Assistant grant	327	-	327	-
Edward Byrne Memorial JA grant	33	-	33	12,425
Governor's Crime Commission: Internet Crimes Against Children (ICAC)	38,630	19,483	19,147	-
Governor's Crime Commission: Gang Task Force Grant	70,072	36,984	33,088	-
Total	465,657	244,519	221,138	166,847
Total public safety	9,623,712	9,140,976	482,736	8,387,478
<b>Economic and Physical Development:</b>				
Halifax developmental commission:				
Salaries and employee benefits	171,559	170,781		165,465
Operating expenditures	96,045	87,020		79,251
Total	267,604	257,801	9,803	244,716
Tourism:				
Salaries and employee benefits	4,723	4,723	-	4,613

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
Cooperative extension office:				
Salaries and employee benefits	212,349	176,791		193,205
Operating expenditures	54,760	37,787		37,086
Total	267,109	214,578	52,531	230,291
Rural life education:				
Salaries and employee benefits	42,525	42,344		42,164
Operating expenditures	29,991	29,501		15,271
Total	72,516	71,845	671	57,435
Natural resource conservation:				
Salaries and employee benefits	150,218	106,467		123,748
Operating expenditures	9,524	7,632		13,852
Total	159,742	114,099	45,643	137,600
Other economic and physical development:				
4-H clubs	25,319	9,995	15,324	26,302
County extension	22,975	5,367	17,608	5,675
Extension agent program	24,460	2,278	22,182	10,566
Boards and commissions	7,398	1,373	6,025	2,072
Forestry protection	110,000	105,029	4,971	92,927
Other donations	32,000	29,269	2,731	19,500
No-Till Drill program	4,956	1,137	3,819	2,215
CREP	13,776	1,224	12,552	-
Halifax Helps grant	1,325	77	1,248	-
Soil Health program	3,749	1,259	2,490	2,976
Market-Based Conservation Initiative program	10,725	-	10,725	-
Co-op Monsanto grant	2,250	-	2,250	-
Economic development incentive	55,461	54,915	546	134,915
Farmers Market	7,293	6,761	532	3,549
Natural Resource Equipment grant	59,219	-	59,219	-
Farm in Ranchland management	12,000	-	12,000	-
Total	392,906	218,684	174,222	300,697
Total economic and physical development	1,164,600	881,730	282,870	975,352
<b>Human Services:</b>				
Elderly transportation:				
Operating expenses	161,301	159,188	2,113	150,149
Supplemental foods:				
Salaries and employee benefits	106,454	91,283		127,389
Operating expenditures	36,851	28,813		30,797
USDA commodity foods	156,341	156,152		264,420
Total	299,646	276,248	23,398	422,606

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
Aging program coordinator:				
Operating expenditures	6,258	-	6,258	-
Other human services:				
Mental health admin	31,179	30,346	833	32,855
Operation Restart	161,378	161,366	12	158,112
JCPC Advisory Board	1,400	1,398	2	1,800
JCPC grant	44,227	44,227	-	47,002
SHIIP-MIPPA grant	10,139	244	9,895	2,204
Other donations	1,500	1,500	-	1,500
Pesticide recycling	6,709	-	6,709	-
Home and Community Block grant	311,862	305,996	5,866	297,549
Council On Aging	16,887	16,534	353	18,231
Aging-SHIIP Mini Grant	1,300	-	1,300	-
CJPP/Day reporting	239	-	239	-
Phoenix Center	-	-	-	2,794
Public Workstation grant	-	-	-	2,844
Adult literacy grant	5,000	-	5,000	-
Edge Literacy Grant	2,295	2,295	-	-
Day reporting reallocated funds	2,849	2,741	108	-
Bulletproof Vest grant	8,860	3,914	4,946	-
Regional Hazard Mitigation plan	34,500	34,500	-	-
Teen court	51,847	46,416	5,431	22,900
Co-op student incentive	80,523	80,507	16	66,926
Total	772,694	731,984	40,710	654,717
Total human services	1,239,899	1,167,420	72,479	1,227,472
<b>Cultural and Recreational:</b>				
Library:				
Salaries and employee benefits	501,510	485,930		482,517
Operating expenditures	110,418	93,369		91,622
Total	611,928	579,299	32,629	574,139
Other cultural and recreational:				
Other donations	1,000	1,000		1,000
Rec Network Master plan	786	-		6,500
Weed control	75,000	75,000		50,000
Total	76,786	76,000	786	57,500
Total cultural and recreational	688,714	655,299	33,415	631,639
<b>Education:</b>				
Public schools - current expenses	5,811,426	5,771,748		5,533,846
Public schools - capital outlay	1,737,506	1,650,506		846,852
Community colleges - current expenses	1,116,364	1,116,364		1,069,572
Community colleges - capital outlay	428,956	428,956		69,027
ADM - Public School Building Fund	1,032,301	350,018		549,045
Total education	10,126,553	9,317,592	808,961	8,068,342

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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/Under	2015
	Budget	Actual		Actual
<b>Debt Service:</b>				
Principal	1,690,951	1,517,099		1,576,566
Interest	713,845	798,192		815,945
Total debt service	2,404,796	2,315,291	89,505	2,392,511
Total expenditures	33,589,327	30,640,055	2,949,272	29,553,188
Revenues over (under) expenditures	5,052,785	7,489,327	2,436,542	8,852,131
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	(9,888,591)	(9,888,591)	-	(9,658,455)
Transfers in:				
Internal Service Fund	246,500	246,500	-	246,500
Capital Project Fund				
Capital Projects Fund	-	-	-	175,291
Transfers out:				
Capital Projects Fund	(54,130)	(54,130)	-	(2,190,350)
Internal Service Fund	(900,000)	(900,000)	-	-
Appropriated fund balance	5,543,436	-	(5,543,436)	-
Total other financing sources (uses)	(5,052,785)	(10,596,221)	(5,543,436)	(11,427,014)
Net change in fund balance	\$ -	(3,106,894)	\$ (3,106,894)	(2,574,883)
<b>Fund Balance:</b>				
Beginning of year - July 1		17,065,099		19,639,982
Restatement		31,033		-
Beginning of year - July 1 - restated		17,096,132		19,639,982
End of year - June 30		\$ 13,989,238		\$ 17,065,099

## 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, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/(Under)	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 4,686,580	\$ 4,737,829	\$ 51,249	\$ 4,182,580
Sales and services	11,146	11,146	-	13,559
Miscellaneous revenue	13,250	16,004	2,754	5,117
Total revenues	<u>4,710,976</u>	<u>4,764,979</u>	<u>54,003</u>	<u>4,201,256</u>
<b>Expenditures:</b>				
<b>Human Services:</b>				
General:				
Salaries and employee benefits	453,503	179,616		182,600
Operating expenditures	337,570	142,495		123,244
Capital outlay	-	-		1,000
Total	<u>791,073</u>	<u>322,111</u>	<u>468,962</u>	<u>306,844</u>
Animal control:				
Salaries and employee benefits	159,966	155,775		152,985
Operating expenditures	56,872	48,247		55,374
Capital outlay	-	-		1,711
Total	<u>216,838</u>	<u>204,022</u>	<u>12,816</u>	<u>210,070</u>
AIDS control:				
Salaries and employee benefits	246,441	245,672		243,641
Operating expenditures	14,948	11,838		2,217
Total	<u>261,389</u>	<u>257,510</u>	<u>3,879</u>	<u>245,858</u>
Tuberculosis control:				
Salaries and employee benefits	78,703	74,906		58,002
Operating expenditures	177,695	23,573		35,389
Capital outlay	12,000	4,132		1,500
Total	<u>268,398</u>	<u>102,611</u>	<u>165,787</u>	<u>94,891</u>
CDC Tuberculosis:				
Salaries and employee benefits	-	-	-	29,885
Communicable disease:				
Salaries and employee benefits	35,204	35,204		26,971
Operating expenditures	21,826	4,495		4,991
Capital outlay	4,200	-		1,500
Total	<u>61,230</u>	<u>39,699</u>	<u>21,531</u>	<u>33,462</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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/(Under)	2015
	Budget	Actual		Actual
Home health:				
Salaries and employee benefits	659,984	618,861		602,906
Operating expenditures	671,877	430,645		521,916
Capital outlay	26,000	-		11,500
Total	1,357,861	1,049,506	308,355	1,136,322
Hospice:				
Salaries and employee benefits	327,668	280,252		290,083
Operating expenditures	118,538	81,875		110,307
Capital outlay	7,600	2,135		2,159
Total	453,806	364,262	89,544	402,549
Adult health/diabetes:				
Salaries and employee benefits	87,624	87,440		57,277
Operating expenditures	311,468	64,514		69,691
Total	399,092	151,954	247,138	126,968
Maternity:				
Salaries and employee benefits	263,870	211,715		247,332
Operating expenditures	800,472	73,864		82,552
Capital outlay	-	-		10,000
Total	1,064,342	285,579	778,763	339,884
Family planning:				
Salaries and employee benefits	426,491	363,132		382,255
Operating expenditures	1,028,612	152,092		139,277
Capital outlay	1,000	-		25,268
Total	1,456,103	515,224	940,879	546,800
Child services coordinator:				
Salaries and employee benefits	109,405	95,045		98,490
Operating expenditures	253,187	9,375		3,355
Total	362,592	104,420	258,172	101,845
Child health:				
Salaries and employee benefits	372,652	238,525		247,468
Operating expenditures	303,626	120,536		90,920
Capital outlay	-	-		12,963
Total	676,278	359,061	317,217	351,351

# 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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		Variance Over/(Under)	2015
	Budget	Actual		Actual
Environmental health:				
Salaries and employee benefits	512,022	497,957		490,974
Operating expenditures	18,325	15,344		18,483
Total	530,347	513,301	17,046	509,457
Other human services:				
Bioterrorism	45,007	45,007	-	52,912
Triple P	222,991	209,746	13,245	194,053
Diabetes	29,822	23,185	6,637	18,946
BCCCP	31,668	13,908	17,760	18,947
CVD/Breast cancer	17,593	7,013	10,580	7,167
Folic Acid grant	195,132	185,329	9,803	173,614
Immunization action plan	248,823	83,030	165,793	93,054
Baby Love Plus	161,520	155,260	6,260	136,717
Health working and wellness	38,602	34,689	3,913	32,206
Transformation Grant	-	-	-	5,606
Weldon SNFI school nurse	100,000	100,000	-	100,000
RR SNFI school nurse	150,000	150,000	-	150,000
PREPARE Grant	-	-	-	102,006
Closing the Gap Grant	-	-	-	1,000
Healthy community program	36,807	36,766	41	35,888
Community health assessment	4,986	4,986	-	19,406
NC cancer program	2,050	2,050	-	72,252
BCBS foundation	7,071	7,071	-	7,929
Walk in Faith grant	7,785	7,785	-	13,765
Catch grant	201,071	165,607	35,464	191,617
Interpreter services	-	-	-	4,343
Lazarus	10,000	9,999	1	-
Serve Safe	11,107	5,576	5,531	1,568
DERP	49,056	17,016	32,040	75,060
Capital outlay - child and environmental health	16,500	8,963	7,537	20,695
WIC - Administration	7,863	7,863	-	-
WIC - Breastfeeding	16,737	16,737	-	-
WIC - Client services	192,298	192,288	10	-
WIC - Nutrition education	94,156	94,156	-	-
Smart Start	11,060	11,060	-	-
Partnetship in Community Health	4,750	4,750	-	-

## 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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/(Under)	Actual
Ebola	15,000	4,242	10,758	-
Babies Easy Safe Sleep Training Program	63,309	63,309	-	-
Maternal Child Health Planning Grant	20,000	7,695	12,305	-
Early Childhood Comprehensive System	10,000	7,579	2,421	-
Total	<u>2,022,764</u>	<u>1,682,665</u>	<u>340,099</u>	<u>1,528,751</u>
Total human services	<u>9,922,113</u>	<u>5,951,925</u>	<u>3,970,188</u>	<u>5,964,937</u>
Revenues over (under) expenditures	<u>(5,211,137)</u>	<u>(1,186,946)</u>	<u>4,024,191</u>	<u>(1,763,681)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	2,168,837	2,168,837	-	2,038,486
Appropriated fund balance	<u>3,042,300</u>	<u>-</u>	<u>(3,042,300)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,211,137</u>	<u>2,168,837</u>	<u>(3,042,300)</u>	<u>2,038,486</u>
Net change in fund balance	<u>\$ -</u>	<u>981,891</u>	<u>\$ 981,891</u>	<u>274,805</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>4,367,998</u>		<u>4,093,193</u>
End of year - June 30		<u>\$ 5,349,889</u>		<u>\$ 4,367,998</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, 2016**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 10,605,630	\$ 10,236,448	\$ (369,182)	\$ 10,437,662
Permits and fees	-	4,735	4,735	5,161
Miscellaneous revenue	4,072	4,072	-	-
Total revenues	<u>10,609,702</u>	<u>10,245,255</u>	<u>(364,447)</u>	<u>10,442,823</u>
<b>Expenditures:</b>				
<b>Human Services:</b>				
General:				
Salaries and employee benefits	8,687,390	8,351,954		8,053,785
Operating expenditures	1,341,633	751,196		749,783
Capital outlay	199,850	15,901		18,104
Total	<u>10,228,873</u>	<u>9,119,051</u>	<u>1,109,822</u>	<u>8,821,672</u>
Other human services:				
Fees and refunds	33,876	11,362	22,514	10,363
Family planning	10,000	5,980	4,020	7,834
Chore services	11,631	10,714	917	31,164
Daycare	2,284,475	2,115,212	169,263	2,272,452
Work First	321,732	212,096	109,636	214,361
Purchased services	70,000	57,807	12,193	55,266
4D-purchase	182,160	13,763	168,397	6,000
Medicaid	710,449	463,661	246,788	497,068
Social services to the aged	722,399	627,546	94,853	689,380
CBA foster care	398,000	284,536	113,464	260,383
Adoptive assistance	79,312	72,507	6,805	117,843
LIEAP program	422,753	422,700	53	515,109
Crisis intervention	420,026	415,733	4,293	343,033
CP&L energy	7,564	5,524	2,040	638
Special foster care	23,005	4,043	18,962	6,864
Home and Community Care Block grant	292,994	292,994	-	336,460
Family reunification	9,450	9,450	-	1,350
Aid to the blind	7,301	6,986	315	6,685
Shift NC Program	15,000	11,802	3,198	-
Adoption Promotion	25,200	5,485	19,715	-
Total	<u>6,047,327</u>	<u>5,049,901</u>	<u>997,426</u>	<u>5,372,253</u>
Total human services	<u>16,276,200</u>	<u>14,168,952</u>	<u>2,107,248</u>	<u>14,193,925</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, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	<u>(5,666,498)</u>	<u>(3,923,697)</u>	<u>1,742,801</u>	<u>(3,751,102)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	5,618,663	5,618,663	-	5,140,419
Appropriated fund balance	<u>47,835</u>	<u>-</u>	<u>(47,835)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,666,498</u>	<u>5,618,663</u>	<u>(47,835)</u>	<u>5,140,419</u>
Net change in fund balance	<u>\$ -</u>	1,694,966	<u>\$ 1,694,966</u>	1,389,317
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>2,776,255</u>		<u>1,386,938</u>
End of year - June 30		<u>\$ 4,471,221</u>		<u>\$ 2,776,255</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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Other taxes and licenses	\$ 1,200	\$ -	\$ (1,200)	\$ -
Restricted intergovernmental revenues	219,039	571,151	352,112	550,264
Sales and services	2,537,532	2,310,215	(227,317)	2,450,793
Miscellaneous revenue	500	3,147	2,647	2,710
Total revenues	<u>2,758,271</u>	<u>2,884,513</u>	<u>126,242</u>	<u>3,003,767</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
General:				
Salaries and employee benefits	4,250,897	4,210,859		3,992,056
Operating expenditures	939,676	762,661		783,459
Capital outlay	392,575	273,958		102,929
Total	<u>5,583,148</u>	<u>5,247,478</u>	<u>335,670</u>	<u>4,878,444</u>
<b>Debt Service:</b>				
Principal	88,714	88,713		87,463
Interest	3,861	3,860		5,111
Total debt service	<u>92,575</u>	<u>92,573</u>	<u>2</u>	<u>92,574</u>
Total expenditures	<u>5,675,723</u>	<u>5,340,051</u>	<u>335,672</u>	<u>4,971,018</u>
Revenues over (under) expenditures	<u>(2,917,452)</u>	<u>(2,455,538)</u>	<u>(461,914)</u>	<u>(1,967,251)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	2,203,477	2,203,477	-	2,620,932
Transfers from (to) other funds:				
Appropriated fund balance	713,975	-	(713,975)	-
Total other financing sources (uses)	<u>2,917,452</u>	<u>2,203,477</u>	<u>(713,975)</u>	<u>2,620,932</u>
Net change in fund balance	<u>\$ -</u>	<u>(252,061)</u>	<u>\$ (252,061)</u>	<u>653,681</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,756,693</u>		<u>1,103,012</u>
End of year - June 30		<u>\$ 1,504,632</u>		<u>\$ 1,756,693</u>

# HALIFAX COUNTY, NORTH CAROLINA

## REASSESSMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 1,061	\$ 1,061	\$ 347
Revenues over (under) expenditures	-	1,061	1,061	347
<b>Other Financing Sources (Uses):</b>				
Transfer in - General Fund	150,000	150,000	-	150,000
Transfer out - General Fund	(252,386)	(252,386)	-	(291,382)
Appropriated fund balance	102,386	-	(102,386)	-
Total other financing sources (uses)	-	(102,386)	(102,386)	(141,382)
Net change in fund balance	\$ -	(101,325)	\$ (101,325)	(141,035)
<b>Fund Balance:</b>				
Beginning of year - July 1		747,339		888,374
End of year - June 30		\$ 646,014		\$ 747,339



This page left intentionally blank

## **OTHER MAJOR GOVERNMENTAL FUNDS**

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

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



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

**MANNING ELEMENTARY SCHOOL DESIGN - MAJOR  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<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>	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ 178	\$ 178	\$ 178
Total revenues	-	-	178	178	178
<b>Expenditures:</b>					
Education:					
Constriction	17,328,356	-	-	-	17,328,356
Administration	250,000	-	-	-	250,000
Legal fees	100,000	-	22,052	22,052	77,948
Design fees	1,251,355	-	760,098	760,098	491,257
Contingency	170,289	-	-	-	170,289
Total expenditures	19,100,000	-	782,150	782,150	18,317,850
Revenues over (under) expenditures	(19,100,000)	-	(781,972)	(781,972)	18,318,028
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	18,100,000	-	18,100,000	18,100,000	-
Transfer from Public School Construction Fund	1,000,000	1,000,000	-	1,000,000	-
Total other financing sources (uses)	19,100,000	1,000,000	18,100,000	19,100,000	-
Net change in fund balance	\$ -	\$ 1,000,000	\$ 17,318,028	\$ 18,318,028	\$ 18,318,028

## HALIFAX COUNTY, NORTH CAROLINA

### KLAUSNER LUMBER TWO PROJECT - MAJOR SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental:					
NC Department of Commerce	\$ 1,201,960	\$ -	\$ 617,580	\$ 617,580	\$ (584,380)
NC Department of Transportation	1,200,000	697,783	430,577	1,128,360	(71,640)
US Department of Commerce	1,400,000	-	-	-	(1,400,000)
NC Rural Development Center	872,000	-	-	-	(872,000)
Contributions	1,524,470	1,325,144	80,544	1,405,688	(118,782)
Total revenues	<u>6,198,430</u>	<u>2,022,927</u>	<u>1,128,701</u>	<u>3,151,628</u>	<u>(3,046,802)</u>
<b>Expenditures:</b>					
Economic development:					
Site preparation	6,893,270	6,577,431	127,755	6,705,186	188,084
Road construction	1,225,021	1,059,166	161,075	1,220,241	4,780
Administration	654,695	402,610	136,193	538,803	115,892
Sewer line	505,200	-	290,954	290,954	214,246
Rail spur	2,677,500	-	525,081	525,081	2,152,419
Contingency	342,931	-	-	-	342,931
Total expenditures	<u>12,298,617</u>	<u>8,039,207</u>	<u>1,241,058</u>	<u>9,280,265</u>	<u>3,018,352</u>
Revenues over (under) expenditures	(6,100,187)	(6,016,280)	(112,357)	(6,128,637)	(28,450)
<b>Other Financing Sources (Uses):</b>					
Transfer in	<u>6,100,187</u>	<u>6,144,807</u>	<u>-</u>	<u>6,144,807</u>	<u>44,620</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 128,527</u>	<u>\$ (112,357)</u>	<u>\$ 16,170</u>	<u>\$ 16,170</u>

**COMBINING STATEMENTS FOR NONMAJOR FUNDS**



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 525,476	\$ 178,161	\$ 703,637
Accounts receivable	156,731	291,730	448,461
Due from other governments	6,901	-	6,901
Taxes receivable, net	<u>357,185</u>	<u>-</u>	<u>357,185</u>
Total assets	<u>\$ 1,046,293</u>	<u>\$ 469,891</u>	<u>\$ 1,516,184</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 166,906	\$ 86,046	\$ 252,952
Due to other funds	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Total liabilities	<u>166,906</u>	<u>286,046</u>	<u>452,952</u>
<b>Deferred Inflows of Resources:</b>			
Taxes receivable	<u>357,185</u>	<u>-</u>	<u>357,185</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	163,632	291,730	455,362
Public safety	487,380	-	487,380
Education	-	66,886	66,886
Committed	-	39,849	39,849
Unassigned	<u>(128,810)</u>	<u>(214,620)</u>	<u>(343,430)</u>
Total fund balances	<u>522,202</u>	<u>183,845</u>	<u>706,047</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,046,293</u>	<u>\$ 469,891</u>	<u>\$ 1,516,184</u>

## HALIFAX COUNTY, NORTH CAROLINA

### NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Nonmajor		Total
	Special Revenue Funds	Capital Project Funds	
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,690,380	\$ -	\$ 4,690,380
Other taxes and licenses	513,129	-	513,129
Restricted intergovernmental revenues	416,108	715,628	1,131,736
Investment earnings	6,973	-	6,973
Total revenues	<u>5,626,590</u>	<u>715,628</u>	<u>6,342,218</u>
<b>Expenditures:</b>			
Current:			
Public safety	1,812,314	-	1,812,314
Education	3,240,255	-	3,240,255
Economic and physical development	81,053	149,845	230,898
Human services	467,931	-	467,931
Total expenditures	<u>5,601,553</u>	<u>149,845</u>	<u>5,751,398</u>
Revenues over (under) expenditures	<u>25,037</u>	<u>565,783</u>	<u>590,820</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	459	54,130	54,589
Installment purchase obligations issued	-	(63,970)	(63,970)
Total other financing sources (uses)	<u>459</u>	<u>(9,840)</u>	<u>(9,381)</u>
Net change in fund balances	25,496	555,943	581,439
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>496,706</u>	<u>(372,098)</u>	<u>124,608</u>
End of year - June 30	<u>\$ 522,202</u>	<u>\$ 183,845</u>	<u>\$ 706,047</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, 2016

	<b>Emergency Telephone System Fund</b>	<b>Our Community Hospital Center Fund</b>	<b>Weldon School District Fund</b>	<b>Fire District Fund</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 500,890	\$ 3,199	\$ 8,376	\$ 5,750
Accounts receivable	27,921	14,345	44,850	49,701
Due from other governments	6,901	-	-	-
Taxes receivable, net	<u>-</u>	<u>38,407</u>	<u>178,303</u>	<u>92,008</u>
Total assets	<u>\$ 535,712</u>	<u>\$ 55,951</u>	<u>\$ 231,529</u>	<u>\$ 147,459</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	<u>\$ 13,510</u>	<u>\$ 17,544</u>	<u>\$ 53,226</u>	<u>\$ 55,451</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	<u>-</u>	<u>38,407</u>	<u>178,303</u>	<u>92,008</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	34,822	14,345	44,850	49,701
Public safety	487,380	-	-	-
Unassigned	<u>-</u>	<u>(14,345)</u>	<u>(44,850)</u>	<u>(49,701)</u>
Total fund balances	<u>522,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 535,712</u>	<u>\$ 55,951</u>	<u>\$ 231,529</u>	<u>\$ 147,459</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	Roanoke Rapids School Graded District Fund	Project Budget		Total
		CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,261	\$ -	\$ -	\$ 525,476
Accounts receivable	19,914	-	-	156,731
Due from other governments	-	-	-	6,901
Taxes receivable, net	48,467	-	-	357,185
Total assets	\$ 75,642	\$ -	\$ -	\$ 1,046,293
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 27,175	\$ -	\$ -	\$ 166,906
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	48,467	-	-	357,185
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	19,914	-	-	163,632
Public safety	-	-	-	487,380
Unassigned	(19,914)	-	-	(128,810)
Total fund balances	-	-	-	522,202
Total liabilities, deferred inflows of resources and fund balances	\$ 75,642	\$ -	\$ -	\$ 1,046,293

**HALIFAX COUNTY, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Emergency Telephone System Fund</b>	<b>Our Community Hospital Center Fund</b>	<b>Weldon School District Fund</b>	<b>Fire District Fund</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ 399,517	\$ 1,119,331	\$ 1,280,242
Other taxes and licenses	-	68,414	223,403	221,312
Restricted intergovernmental	335,055	-	-	-
Investment earnings	742	-	-	-
Total revenues	<u>335,797</u>	<u>467,931</u>	<u>1,342,734</u>	<u>1,501,554</u>
<b>Expenditures:</b>				
Public safety	310,760	-	-	1,501,554
Economic and physical development	-	-	-	-
Human services	-	467,931	-	-
Education	-	-	1,342,734	-
Total expenditures	<u>310,760</u>	<u>467,931</u>	<u>1,342,734</u>	<u>1,501,554</u>
Revenues over (under) expenditures	25,037	-	-	-
<b>Other Financing Sources (Uses):</b>				
Transfers from Enterprise Fund	-	-	-	-
Net change in fund balances	25,037	-	-	-
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>497,165</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 522,202</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, 2016**

	Roanoke Rapids School Graded District Fund	Project Budget		Total
		CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,891,290	\$ -	\$ -	\$ 4,690,380
Other taxes and licenses	-	-	-	513,129
Restricted intergovernmental	-	81,053	-	416,108
Investment earnings	6,231	-	-	6,973
Total revenues	<u>1,897,521</u>	<u>81,053</u>	<u>-</u>	<u>5,626,590</u>
<b>Expenditures:</b>				
Public safety	-	-	-	1,812,314
Economic and physical development	-	81,053	-	81,053
Human services	-	-	-	467,931
Education	1,897,521	-	-	3,240,255
Total expenditures	<u>1,897,521</u>	<u>81,053</u>	<u>-</u>	<u>5,601,553</u>
Revenues over (under) expenditures	-	-	-	25,037
<b>Other Financing Sources (Uses):</b>				
Transfers from Enterprise Fund	-	-	459	459
Net change in fund balances	-	-	459	25,496
<b>Fund Balances:</b>				
Beginning of year - July 1	-	-	(459)	496,706
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,202</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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Wireless funding	\$ 335,055	\$ 335,055	\$ -	\$ 324,572
Miscellaneous	29,500	-	(29,500)	-
Investment earnings	-	742	742	187
Total revenues	<u>364,555</u>	<u>335,797</u>	<u>(28,758)</u>	<u>324,759</u>
<b>Expenditures:</b>				
Public safety:				
Telephone and furniture		144,802		155,511
Software maintenance		63,670		87,296
Hardware maintenance		57,903		54,718
Training		44,385		32,250
Total expenditures	<u>364,555</u>	<u>310,760</u>	<u>53,795</u>	<u>329,775</u>
Net change in fund balance	<u>\$ -</u>	<u>25,037</u>	<u>\$ 25,037</u>	<u>(5,016)</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>497,165</u>		<u>502,181</u>
End of year - June 30		<u>\$ 522,202</u>		<u>\$ 497,165</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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 535,934	\$ 399,517	\$ (136,417)	\$ 390,938
Local option sales tax	68,414	68,414	-	70,870
Total revenues	<u>604,348</u>	<u>467,931</u>	<u>(136,417)</u>	<u>461,808</u>
<b>Expenditures:</b>				
Human services:				
Our Community Hospital	<u>604,348</u>	<u>467,931</u>	<u>136,417</u>	<u>461,808</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
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, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem tax	\$ 1,343,186	\$ 1,119,331	\$ (223,855)	\$ 1,283,150
Local option sales tax	227,000	223,403	(3,597)	238,879
Total revenues	<u>1,570,186</u>	<u>1,342,734</u>	<u>(227,452)</u>	<u>1,522,029</u>
<b>Expenditures:</b>				
Education:				
Payments to school district	<u>1,570,186</u>	<u>1,342,734</u>	<u>227,452</u>	<u>1,522,029</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

# HALIFAX COUNTY, NORTH CAROLINA

## FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,659,977	\$ 1,280,242	\$ (379,735)	\$ 1,286,246
Local option sales tax	221,542	221,312	(230)	234,401
Total revenues	<u>1,881,519</u>	<u>1,501,554</u>	<u>(379,965)</u>	<u>1,520,647</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Payments to fire districts	<u>1,881,519</u>	<u>1,501,554</u>	<u>379,965</u>	<u>1,520,647</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

### ROANOKE RAPIDS SCHOOL GRADED DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Ad valorem tax	\$ 2,614,812	\$ 1,891,290	\$ (723,522)	\$ 1,840,301
Interest	7,000	6,231	(769)	6,850
Total revenues	<u>2,621,812</u>	<u>1,897,521</u>	<u>(724,291)</u>	<u>1,847,151</u>
<b>Expenditures:</b>				
Education:				
Payments to school district	<u>2,621,812</u>	<u>1,897,521</u>	<u>724,291</u>	<u>1,847,151</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
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, 2016

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental:					
NC Division of Community Assistance	\$ 400,000	\$ 318,947	\$ 81,053	\$ 400,000	\$ -
<b>Expenditures:</b>					
Economic and physical development:					
Administration	40,000	24,261	15,739	40,000	-
Rehabilitation	260,358	195,343	65,015	260,358	-
Relocation	99,642	99,343	299	99,642	-
Total expenditures	<u>400,000</u>	<u>318,947</u>	<u>81,053</u>	<u>400,000</u>	<u>-</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, 2016

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 459	\$ -	\$ -	\$ -	\$ (459)
<b>Expenditures:</b>					
Economic and physical development:					
Advertising	<u>459</u>	<u>459</u>	<u>-</u>	<u>459</u>	<u>-</u>
Revenues over (under) expenditures	-	(459)	-	(459)	(459)
<b>Other Financing Sources (Uses):</b>					
Transfer in	<u>-</u>	<u>-</u>	<u>459</u>	<u>459</u>	<u>459</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (459)</u>	<u>\$ 459</u>	<u>\$ -</u>	<u>\$ -</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.

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



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016

	<u>Annual Budget</u>				
	<u>RPO Peanut Belt Capital Project</u>	<u>Piezotronics Project</u>	<u>QCSB Roanoke Rapids</u>	<u>Project Freebird</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 71,426	\$ -	\$ 66,886	\$ 39,849	\$ 178,161
Accounts receivable	91,730	200,000	-	-	291,730
Total assets	<u>\$ 163,156</u>	<u>\$ 200,000</u>	<u>\$ 66,886</u>	<u>\$ 39,849</u>	<u>\$ 469,891</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 86,046	\$ -	\$ -	\$ -	\$ 86,046
Due to other funds	-	200,000	-	-	200,000
Total liabilities	<u>86,046</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>286,046</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	91,730	200,000	-	-	291,730
Education	-	-	66,886	-	66,886
Committed:					
Economic development	-	-	-	39,849	39,849
Assigned:					
Unassigned	(14,620)	(200,000)	-	-	(214,620)
Total fund balances	<u>77,110</u>	<u>-</u>	<u>66,886</u>	<u>39,849</u>	<u>183,845</u>
Total liabilities and fund balances	<u>\$ 163,156</u>	<u>\$ 200,000</u>	<u>\$ 66,886</u>	<u>\$ 39,849</u>	<u>\$ 469,891</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, 2016

	<u>Annual Budget</u>				<u>Total</u>
	<u>RPO Peanut Belt Capital Project</u>	<u>Piezotronics Project</u>	<u>QCSB Roanoke Rapids</u>	<u>Project Freebird</u>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 115,627	\$ 600,001	\$ -	\$ -	\$ 715,628
Total revenues	<u>115,627</u>	<u>600,001</u>	<u>-</u>	<u>-</u>	<u>715,628</u>
<b>Expenditures:</b>					
Economic and physical development	<u>115,627</u>	<u>-</u>	<u>-</u>	<u>34,218</u>	<u>149,845</u>
Total expenditures	<u>115,627</u>	<u>-</u>	<u>-</u>	<u>34,218</u>	<u>149,845</u>
Revenues over (under) expenditures	<u>-</u>	<u>600,001</u>	<u>-</u>	<u>(34,218)</u>	<u>565,783</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
General Fund	-	-	-	54,130	54,130
Long term debt issued	<u>-</u>	<u>-</u>	<u>(63,970)</u>	<u>-</u>	<u>(63,970)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(63,970)</u>	<u>54,130</u>	<u>(9,840)</u>
Net change in fund balances	-	600,001	(63,970)	19,912	555,943
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>77,110</u>	<u>(600,001)</u>	<u>130,856</u>	<u>19,937</u>	<u>(372,098)</u>
End of year - June 30	<u>\$ 77,110</u>	<u>\$ -</u>	<u>\$ 66,886</u>	<u>\$ 39,849</u>	<u>\$ 183,845</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, 2016

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

	2016			2015
	Budget	Actual	Variance Over/(Under)	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 115,625	\$ 115,627	\$ 2	\$ 115,621
<b>Expenditures:</b>				
Economic development	115,625	115,627	(2)	110,755
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	4,866
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>77,110</u>		<u>72,244</u>
End of year - June 30		<u>\$ 77,110</u>		<u>\$ 77,110</u>

## HALIFAX COUNTY, NORTH CAROLINA

### PIEZOTRONICS PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental:					
Contributions	\$ 1,852,000	\$ 1,252,000	\$ 600,000	\$ 1,852,000	\$ -
Miscellaneous	198,119	116,262	1	116,263	(81,856)
Total revenues	<u>2,050,119</u>	<u>1,368,262</u>	<u>600,001</u>	<u>1,968,263</u>	<u>(81,856)</u>
<b>Expenditures:</b>					
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>600,001</u>	<u>(528,723)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
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>\$ 600,001</u>	<u>\$ -</u>	<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

**QCSB ROANOKE RAPIDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<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>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 161,223	\$ 159,204	\$ -	\$ 159,204	\$ (2,019)
Investment earnings	-	1,958	-	1,958	1,958
Total revenues	<u>161,223</u>	<u>161,162</u>	<u>-</u>	<u>161,162</u>	<u>(61)</u>
<b>Expenditures:</b>					
Education:					
Construction	2,404,073	2,370,605	-	2,370,605	33,468
Professional services	40,000	40,000	-	40,000	-
Administration	18,171	12,222	-	12,222	5,949
Engineering	196,617	160,446	-	160,446	36,171
Contingency	55,329	-	-	-	55,329
Total expenditures	<u>2,714,190</u>	<u>2,583,273</u>	<u>-</u>	<u>2,583,273</u>	<u>130,917</u>
Revenues over (under) expenditures	(2,552,967)	(2,422,111)	-	(2,422,111)	130,856
<b>Other Financing Sources (Uses):</b>					
**Long-term debt issued	<u>2,552,967</u>	<u>2,552,967</u>	<u>(63,970)</u>	<u>2,488,997</u>	<u>(63,970)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 130,856</u>	<u>\$ (63,970)</u>	<u>\$ 66,886</u>	<u>\$ 66,886</u>

\*\* \$63,970 represents unspent loan proceeds held in the project fund. This payment was not paid into the Sinking Fund, which is accounted for in the General Fund. Instead, it was used to reduce the principal balance of the loan. Therefore, the total amount that the County will pay into the Sinking Fund over the life of the agreement is \$2,488,997.

## 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, 2016**

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues:</b>					
Restricted intergovernmental					
NC Department of Commerce	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
US Department of Commerce	1,181,855	-	-	-	(1,181,855)
Contributions	88,490	-	-	-	(88,490)
Total revenues	<u>1,870,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,870,345)</u>
<b>Expenditures:</b>					
Economic development:					
Construction	1,589,850	-	-	-	1,589,850
Construction contingency	174,665	-	-	-	174,665
Administration	25,000	-	4,986	4,986	20,014
Engineering design and permitting	128,360	59,813	19,937	79,750	48,610
Construction administration and observation	86,350	-	9,295	9,295	77,055
Total expenditures	<u>2,004,225</u>	<u>59,813</u>	<u>34,218</u>	<u>94,031</u>	<u>1,910,194</u>
Revenues over (under) expenditures	(133,880)	(59,813)	(34,218)	(94,031)	39,849
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	133,880	79,750	54,130	133,880	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,937</u>	<u>\$ 19,912</u>	<u>\$ 39,849</u>	<u>\$ 39,849</u>

## **ENTERPRISE FUNDS**

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



This page left intentionally blank

**HALIFAX COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - SOLID WASTE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Solid waste fees	\$ 4,764,802	\$ 5,075,134	\$ 310,332	\$ 3,791,758
Electronics management	3,000	5,121	2,121	4,138
Total operating revenues	<u>4,767,802</u>	<u>5,080,255</u>	<u>312,453</u>	<u>3,795,896</u>
Non-operating revenues:				
Interest earned on investments	<u>1,000</u>	<u>8,639</u>	<u>7,639</u>	<u>2,339</u>
Total revenues	<u>4,768,802</u>	<u>5,088,894</u>	<u>320,092</u>	<u>3,798,235</u>
<b>Expenditures:</b>				
Landfill operations:				
Salaries and benefits	544,867	458,555		489,836
Operating expenses	562,061	413,794		422,224
Repairs and maintenance	155,600	52,161		94,868
Capital outlay	-	-		12,102
Total landfill operations	<u>1,262,528</u>	<u>924,510</u>	<u>338,018</u>	<u>1,019,030</u>
Ash monofill cell:				
Salaries and benefits	50,732	36,503		52,577
Operating expenses	227,691	113,711		127,824
Repairs and maintenance	442,780	177,856		7,603
Total ash monofill cell	<u>721,203</u>	<u>328,070</u>	<u>393,133</u>	<u>188,004</u>
Landfill closure:				
Landfill closure expenditures	<u>173,233</u>	<u>-</u>	<u>173,233</u>	<u>-</u>
Electronics management:				
Operating expenses	<u>10,000</u>	<u>7,292</u>	<u>2,708</u>	<u>4,005</u>
Transfer station:				
Salaries and benefits	46,534	46,185		44,418
Operating expenses	2,349,466	2,236,620		2,227,345
Total transfer station	<u>2,396,000</u>	<u>2,282,805</u>	<u>113,195</u>	<u>2,271,763</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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Debt service expenditures:				
Principal	192,624	192,624		188,703
Interest	28,252	37,213		42,278
Total debt service	220,876	229,837	(8,961)	230,981
Total expenditures	4,783,840	3,772,514	1,187,267	3,713,783
Revenues over (under) expenditures	(15,038)	1,316,380	1,507,359	84,452
<b>Other Financing Sources (Uses):</b>				
General Fund - transfer in	247	-	(247)	-
General Fund - transfer out	(9,209)	-	9,209	-
Appropriated retained earnings	89,000	-	(89,000)	-
Total other financing sources (uses)	80,038	-	(80,038)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ 65,000	\$ 1,316,380	\$ 1,427,321	\$ 84,452
<b>Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,316,380		\$ 84,452
Depreciation		(215,258)		(210,347)
Capital outlay		-		12,102
Debt service expenditures		192,624		188,703
Change in accrued interest payable		7,721		(10)
Change in compensated absences		17,258		(3,867)
Increase (Decrease) in net pension asset		(39,982)		95,126
Increase in net pension liability		(30,622)		-
Change in deferred outflows of resources - pension		819		28,791
Change in deferred inflows of resources - pension		81,569		(97,595)
Change in OPEB		710		(3,516)
Interest from projects		409		196
Change in post-closure liability estimate		(810,912)		(98,233)
Change in net position		\$ 520,716		\$ (4,198)

## HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2016  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Water sales	\$ 5,265,155	\$ 5,122,590	\$ (142,565)	\$ 4,794,115
Sewer sales	178,824	225,254	46,430	165,388
Tap fees	50,625	48,525	(2,100)	43,200
Penalties and other charges	215,355	235,296	19,941	219,952
Miscellaneous	3,850	6,950	3,100	11,058
Total operating revenues	<u>5,713,809</u>	<u>5,638,615</u>	<u>(75,194)</u>	<u>5,233,713</u>
Non-operating revenues:				
Interest earned on investments	712	2,404	1,692	822
Total revenues	<u>5,714,521</u>	<u>5,641,019</u>	<u>(73,502)</u>	<u>5,234,535</u>
<b>Expenditures:</b>				
Water department:				
Salaries and employee benefits	644,880	599,714		627,671
Water purchases	1,980,517	1,980,517		1,977,248
Repairs and maintenance	115,643	92,708		70,930
Other operating expenditures	1,245,995	1,053,136		1,194,156
Capital outlay	-	-		40,635
Total water department	<u>3,987,035</u>	<u>3,726,075</u>	<u>260,960</u>	<u>3,910,640</u>
Debt service:				
Debt service principal	1,010,552	1,010,553		939,432
Debt service interest and fees	752,255	748,022		744,391
Total debt service	<u>1,762,807</u>	<u>1,758,575</u>	<u>4,232</u>	<u>1,683,823</u>
Total expenditures	<u>5,749,842</u>	<u>5,484,650</u>	<u>265,192</u>	<u>5,594,463</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, 2016  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015**

	2016			2015
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(35,321)	156,369	191,690	(359,928)
<b>Other Financing Sources (Uses):</b>				
General Fund - transfer in	2,144	-	(2,144)	-
General Fund - transfer out	(11,554)	-	11,554	-
Special Revenue Fund - transfer out	-	(459)	(459)	-
Intrafund transfers	-	-	-	57,767
Appropriated retained earnings	44,731	-	(44,731)	-
Total other financing sources (uses)	35,321	(459)	(35,780)	57,767
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 155,910	\$ 155,910	\$ (302,161)
<b>Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 155,910		\$ (302,161)
Debt principal		1,010,553		939,432
Capital outlay		-		40,635
Change in accrued interest payable		(321,261)		5,156
Change in compensated absences		(10,587)		7,724
Increase (Decrease) in net pension asset		(39,982)		95,126
Increase in net pension liability		(30,622)		-
Change in deferred outflows of resources - pension		819		28,791
Change in deferred inflows of resources - pension		81,569		(97,595)
Change in OPEB		864		(3,944)
Intrafund transfer		-		(57,767)
Project transfer		459		-
Project expense not capitalized		-		(14,516)
Capital contributions from water capital projects		404,482		553,201
Depreciation		(1,420,483)		(1,417,491)
Change in net position		\$ (168,279)		\$ (223,409)

## 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, 2016

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 61,425	\$ 35,926	\$ -	\$ 35,926
<b>Expenditures:</b>				
Economic and physical development:				
Administration	2,925	62	-	62
Engineering	58,500	58,466	-	58,466
Total expenditures	61,425	58,528	-	58,528
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (22,602)	\$ -	\$ (22,602)

## 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, 2016**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
<b>Phase XI</b>				
Restricted intergovernmental - USDA	\$ 1,513,000	\$ 1,181,455	\$ 331,545	\$ 1,513,000
Investment earnings	-	1,449	-	1,449
Total Phase XI revenues	<u>1,513,000</u>	<u>1,182,904</u>	<u>331,545</u>	<u>1,514,449</u>
<b>Expenditures:</b>				
<b>Phase XI</b>				
Economic and physical development:				
Administration	47,674	47,674	-	47,674
Contingency	840	-	-	-
Construction	3,975,927	3,680,047	171,532	3,851,579
Equipment and materials	82,538	-	79,275	79,275
Interest	27,407	27,407	-	27,407
Engineering	592,414	522,923	69,450	592,373
Total Phase XI expenditures	<u>4,726,800</u>	<u>4,278,051</u>	<u>320,257</u>	<u>4,598,308</u>
<b>Phase XI-A</b>				
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>5,624,955</u>	<u>320,257</u>	<u>5,945,212</u>
Revenues over (under) expenditures	<u>(4,759,018)</u>	<u>(4,442,051)</u>	<u>11,288</u>	<u>(4,430,763)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer - water Ph XI	526,800	496,800	-	496,800
Proceeds from long-term debt Ph XI - USDA Direct Loan	2,687,000	2,687,000	-	2,687,000
Proceeds from long-term debt Ph XI-A - USDA Revolving Loan	<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>\$ 118,572</u>	<u>\$ 11,288</u>	<u>\$ 129,860</u>

## HALIFAX COUNTY, NORTH CAROLINA

### WELDON SANITATION SEWER PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>		
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>
<b>Expenditures:</b>				
Economic and physical development:				
Construction	\$ 755,683	\$ 534,807	\$ 204,802	\$ 739,609
Administration	118,255	92,171	26,084	118,255
Closing costs	23,399	19,909	-	19,909
Contingency	<u>238,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,135,606</u>	<u>646,887</u>	<u>230,886</u>	<u>877,773</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from (to)Water Fund	(34,368)	(34,368)	-	(34,368)
Proceeds from long-term debt - USDA Revolving Loan	<u>1,169,974</u>	<u>694,746</u>	<u>230,886</u>	<u>925,632</u>
Total other financing sources (uses)	<u>1,135,606</u>	<u>660,378</u>	<u>230,886</u>	<u>891,264</u>
Revenues and other financing sources over				
(under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 13,491</u>	<u>\$ -</u>	<u>\$ 13,491</u>

## HALIFAX COUNTY, NORTH CAROLINA

### INFRASTRUCTURE AERATION WATER PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 885,000	\$ -	\$ 72,937	\$ 72,937
<b>Expenditures:</b>				
Economic and physical development:				
Construction	698,420	-	-	-
Engineering	61,000	-	29,278	29,278
Administration	80,000	-	43,200	43,659
Contingency	45,580	-	-	-
Total expenditures	885,000	-	72,478	72,937
<b>Other Financing Sources (Uses):</b>				
Transfer from (to) Special Revenue Fund	-	-	(459)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -

## 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, 2016

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 2,012	\$ 409	\$ 2,421
<b>Expenditures:</b>				
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	46,441	-	-	-
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>(1,536,178)</u>	<u>409</u>	<u>(1,535,769)</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from long-term debt	<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>\$ 163,822</u>	<u>\$ 409</u>	<u>\$ 164,231</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, 2016

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>		<u>Total</u> <u>to Date</u>
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	
<b>Expenditures:</b>				
Economic and physical development:				
Engineering	\$ 115,000	\$ 25,237	\$ -	\$ 25,237
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer - solid waste disposal	<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, 2016

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Expenditures:</b>				
Economic and physical development:				
Construction	\$ 100,000	\$ 62,857	\$ 32,618	\$ 95,475
Engineering	14,000	6,339	980	7,319
Contingency	10,000	-	-	-
Total expenditures	<u>124,000</u>	<u>69,196</u>	<u>33,598</u>	<u>102,794</u>
Revenues over (under) expenditures	(124,000)	(69,196)	(33,598)	(102,794)
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer - solid waste disposal	<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>\$ 54,804</u>	<u>\$ (33,598)</u>	<u>\$ 21,206</u>



This page left intentionally blank

## **INTERNAL SERVICE FUNDS**

### **Internal Service Funds:**

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

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



This page left intentionally blank

**HALIFAX COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2016**

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,511,591	\$ 198,094	\$ 1,709,685
Accounts receivable, net	32	-	32
Total assets	<u>1,511,623</u>	<u>198,094</u>	<u>1,709,717</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	<u>813,713</u>	-	<u>813,713</u>
<b>Net Position:</b>			
Unrestricted	<u>\$ 697,910</u>	<u>\$ 198,094</u>	<u>\$ 896,004</u>

# HALIFAX COUNTY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
<b>Operating Revenues:</b>				
Charges for services	\$ 4,010,304	\$ 281,342	\$ 4,291,646	\$ 4,113,863
<b>Operating Expenses:</b>				
Unemployment claims	-	14,622	14,622	48,581
Health insurance premiums and administration	4,910,680	-	4,910,680	3,849,806
Total operating expenses	4,910,680	14,622	4,925,302	3,898,387
Operating income (loss)	(900,376)	266,720	(633,656)	215,476
<b>Non-Operating Revenues:</b>				
Investment earnings	1,559	351	1,910	696
Income (loss) before operating transfers	(898,817)	267,071	(631,746)	216,172
Transfer in (out) - General Fund	900,000	(246,500)	653,500	(246,500)
Change in net position	1,183	20,571	21,754	(30,328)
<b>Net Position:</b>				
Beginning of year - July 1	696,727	177,523	874,250	904,578
End of year - June 30	\$ 697,910	\$ 198,094	\$ 896,004	\$ 874,250

## HALIFAX COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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

	2016			2015
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 4,010,830	\$ 281,342	\$ 4,292,172	\$ 4,113,784
Cash paid for goods and services	(4,766,860)	(14,622)	(4,781,482)	(3,921,462)
Net cash provided (used) by operating activities	(756,030)	266,720	(489,310)	192,322
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfer in (out) - General Fund	900,000	(246,500)	653,500	(246,500)
Net cash provided (used) by non-capital financing activities	900,000	(246,500)	653,500	(246,500)
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	1,559	351	1,910	696
Net cash provided (used) by investing activities	1,559	351	1,910	696
Net increase (decrease) in cash, cash equivalents, and investments	145,529	20,571	166,100	(53,482)
<b>Cash, Cash Equivalents, and Investments:</b>				
Beginning of year - July 1	1,366,062	177,523	1,543,585	1,597,067
End of year - June 30	\$ 1,511,591	\$ 198,094	\$ 1,709,685	\$ 1,543,585
<b>Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>				
Operating income (loss)	\$ (900,376)	\$ 266,720	\$ (633,656)	\$ 215,476
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	526	-	526	(79)
Increase (decrease) in accounts payable	143,820	-	143,820	(23,075)
Net cash provided (used) by operating activities	\$ (756,030)	\$ 266,720	\$ (489,310)	\$ 192,322

**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, 2016**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 4,009,264	\$ 4,010,304	\$ 1,040
<b>Operating Expenses:</b>			
Health insurance premiums and administration	<u>4,910,683</u>	<u>4,910,680</u>	<u>3</u>
Operating income (loss)	(901,419)	(900,376)	1,043
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>1,419</u>	<u>1,559</u>	<u>140</u>
Income (loss) before operating transfers	(900,000)	(898,817)	1,183
Transfer in (out) - General Fund	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,183</u>	<u>\$ 1,183</u>
<b>Reconciliation from Financial Plan Basis to Full Accrual:</b>			
Change in net position		<u>\$ 1,183</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, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 265,981	\$ 281,342	\$ 15,361
<b>Operating Expenses:</b>			
Unemployment claims	<u>19,481</u>	<u>14,622</u>	<u>4,859</u>
Operating income (loss)	246,500	266,720	20,220
<b>Non-Operating Revenues:</b>			
Investment earnings	<u>-</u>	<u>351</u>	<u>351</u>
Income (loss) before operating transfers	246,500	267,071	20,571
Transfer in (out) - General Fund	<u>(246,500)</u>	<u>(246,500)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 20,571</u>	<u>\$ 20,571</u>
<b>Reconciliation from Financial Plan Basis to Full Accrual:</b>			
Change in net position		<u>\$ 20,571</u>	



This page left intentionally blank

## **AGENCY FUNDS**

**(Fiduciary Fund Types)**

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

### **Agency Funds:**

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

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

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



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

**AGENCY FUNDS  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 46,038	\$ 20,368	\$ 46,038	\$ 20,368
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 46,038	\$ 20,368	\$ 46,038	\$ 20,368
<b>Tax Collection Agency Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 89,218	\$ 11,045,752	\$ 11,037,901	\$ 97,069
Taxes receivable, net	897,551	10,833,835	10,222,915	1,508,471
Total assets	<u>\$ 986,769</u>	<u>\$ 21,879,587</u>	<u>\$ 21,260,816</u>	<u>\$ 1,605,540</u>
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 177,705	\$ 10,858,585	\$ 10,850,734	\$ 185,556
Intergovernmental payable	809,064	10,833,788	10,222,868	1,419,984
Total liabilities	<u>\$ 986,769</u>	<u>\$ 21,692,373</u>	<u>\$ 21,073,602</u>	<u>\$ 1,605,540</u>
<b>ROD Trust Fund Fee:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,058	\$ 25,181	\$ 25,119	\$ 2,120
Total assets	<u>\$ 2,058</u>	<u>\$ 25,181</u>	<u>\$ 25,119</u>	<u>\$ 2,120</u>
<b>Liabilities:</b>				
Intergovernmental payable - State of North Carolina	\$ 2,058	\$ 25,181	\$ 25,119	\$ 2,120
Total liabilities	<u>\$ 2,058</u>	<u>\$ 25,181</u>	<u>\$ 25,119</u>	<u>\$ 2,120</u>
<b>Totals - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 137,314	\$ 11,091,301	\$ 11,109,058	\$ 119,557
Taxes receivable, net	897,551	10,833,835	10,222,915	1,508,471
Total assets	<u>\$ 1,034,865</u>	<u>\$ 21,925,136</u>	<u>\$ 21,331,973</u>	<u>\$ 1,628,028</u>
<b>Liabilities and Fund Balance:</b>				
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 223,743	\$ 10,878,953	\$ 10,896,772	\$ 205,924
Intergovernmental payable	811,122	10,858,969	10,247,987	1,422,104
Total liabilities	<u>\$ 1,034,865</u>	<u>\$ 21,737,922</u>	<u>\$ 21,144,759</u>	<u>\$ 1,628,028</u>



This page left intentionally blank

## **OTHER SCHEDULES**

**This section contains additional information on property taxes**

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



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2016

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2015</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2015-2016	\$ -	\$ 25,340,375	\$ 24,322,725	\$ 1,017,650
2014-2015	526,679	-	213,847	312,832
2013-2014	296,385	-	44,406	251,979
2012-2013	251,583	-	30,590	220,993
2011-2012	197,643	-	20,688	176,955
2010-2011	171,946	-	10,951	160,995
2009-2010	141,970	-	13,912	128,058
2008-2009	120,740	-	5,004	115,736
2007-2008	117,376	-	3,733	113,643
2006-2007	129,903	-	3,901	126,002
2005-2006	125,828	-	125,828	-
Total	<u>\$ 2,080,053</u>	<u>\$ 25,340,375</u>	<u>\$ 24,795,585</u>	<u>2,624,843</u>
Less: allowance for uncollectible ad valorem taxes receivable				<u>(644,434)</u>
Ad valorem taxes receivable, net				<u>\$ 1,980,409</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 24,598,073
Reconciling items:				
Gross receipts tax				(26,262)
Penalties collected on ad valorem taxes - Agency Fund				(142,290)
Amounts written off for tax years per Statute of Limitations				125,828
Releases				105,599
Refunds				(49,974)
Writeoffs/discounts				200,335
Tax bill adjustments				(28,011)
Discoveries and rollback				30,403
Miscellaneous adjustments				<u>(18,116)</u>
Total collections and credits				<u>\$ 24,795,585</u>

## HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2016

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 3,125,945,205	\$ 0.73	\$ 22,819,400	\$ 22,819,400	\$ -
Motor vehicles taxed at current year's rate	350,988,493	0.73	2,562,216		2,562,216
Penalties	-		36,346	36,346	-
Total original levy	<u>3,476,933,699</u>		<u>25,417,962</u>	<u>22,855,746</u>	<u>2,562,216</u>
<b>Discoveries</b>	<u>3,837,260</u>	0.73	<u>28,012</u>	<u>28,012</u>	<u>-</u>
<b>Releases</b>	<u>(14,465,616)</u>	0.73	<u>(105,599)</u>	<u>(105,599)</u>	<u>-</u>
Total property valuation	<u>\$ 3,466,305,342</u>				
<b>Net Levy</b>			25,340,375	22,778,159	2,562,216
Uncollected taxes at June 30, 2016			<u>1,017,650</u>	<u>1,017,650</u>	<u>-</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 24,322,725</u>	<u>\$ 21,760,509</u>	<u>\$ 2,562,216</u>
<b>Current Levy Collection Percentage</b>			<u>95.98%</u>	<u>95.53%</u>	<u>100.00%</u>

## HALIFAX COUNTY, NORTH CAROLINA

### ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2016

#### Secondary Market Disclosure:

##### Assessed Valuation:

Assessment ratio		98%
Real property	\$	2,460,089,839
Personal property		793,109,307
Public service companies		213,106,196
Total assessed valuation	\$	<u>3,466,305,342</u>
Tax rate per \$100	\$	<u>0.73</u>
Levy (included discoveries, releases, and abatements)	\$	<u>25,340,375</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:

Weldon Schools	\$	1,176,151
Fire protection districts		1,139,114
Community hospital		<u>360,876</u>
Total	\$	<u>2,676,141</u>



This page left intentionally blank

# STATISTICAL SECTION

(unaudited)

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	139
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	144
<b>Debt Capacity</b> 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.	148
<b>Demographic and Economic Information</b> 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.	152
<b>Operating Information</b> These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	155



This page left intentionally blank

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 17,831,005	\$ 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
Restricted	21,354,872	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798	58,992	58,192	89,618	89,618
Unrestricted	(8,406,344)	(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
Total governmental activities net position	\$ 30,779,533	\$ 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
Business-type activities										
Net investment in capital assets	\$ 12,055,155	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,176,388	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
Total business-type activities net position	\$ 17,231,543	\$ 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
Primary government										
Net investment in capital assets	\$ 29,886,160	\$ 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
Restricted	21,354,872	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798	58,992	58,192	89,618	89,618
Unrestricted	(3,229,956)	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
Total primary government net position	\$ 48,011,076	\$ 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

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities:										
General government	\$ 11,900,686	\$ 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
Public safety	14,790,869	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
Economic and physical development	2,479,719	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
Human Services	19,782,077	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
Cultural and Recreational	579,074	540,741	651,086	617,701	683,275	539,435	528,298	578,152	554,833	442,423
Education	13,339,997	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
Interest & Fees	1,119,155	805,349	1,042,433	921,100	938,783	396,649	460,169	532,773	579,473	637,840
Total governmental activities expenses	\$ 63,991,577	\$ 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
Business-type activities:										
Water and Sewer	\$ 6,213,780	\$ 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
Landfill/Solid Waste	4,568,587	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
Total business-type activities	10,782,367	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
Total primary governmental expenses	\$ 74,773,944	\$ 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
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 3,155,714	\$ 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
Public Safety	3,206,930	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
Economic and physical development	80,544	-	-	-	-	-	-	-	7,144	14,992
Human Services	-	124,808	148,547	102,747	158,807	143,102	40,693	19,664	116,303	20,841
Cultural and Recreational	26,945	24,904	25,439	21,822	19,223	26,895	5,992	4,514	-	-
Operating grants and contributions	17,909,200	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
Capital grants and contributions	1,843,555	1,340,173	1,349,798	1,257,897	1,369,143	1,018,199	1,371,293	640,654	930,192	-
Total governmental activities program revenues	\$ 26,222,888	\$ 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
Business-type activities:										
Charges of services:										
Water and sewer	\$ 5,638,615	\$ 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
Solid waste	5,009,713	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
Operating grants and contributions	-	-	-	-	-	-	-	-	-	18,502
Capital grants and contributions	404,482	553,201	642,755	766,515	2,511	224,763	1,021,862	252,287	358,948	545,569
Total business-type activities program revenues	\$ 11,052,810	\$ 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
Total primary governmental program revenues	\$ 37,275,698	\$ 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
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (37,768,689)	\$ (35,985,638)	\$ (41,911,855)	\$ (38,080,227)	\$ (34,891,710)	\$ (33,876,618)	\$ (32,657,194)	\$ (37,569,903)	\$ (40,782,066)	\$ (48,156,499)
Business-type activities	270,443	(298,937)	(296,649)	41,802	(2,857,330)	(715,750)	511,389	(226,793)	355,510	1,420,790
Total primary government net expense	\$ (37,498,246)	\$ (36,284,575)	\$ (42,208,504)	\$ (38,038,425)	\$ (37,749,040)	\$ (34,592,368)	\$ (32,145,805)	\$ (37,796,696)	\$ (40,426,556)	\$ (46,735,709)

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 29,927,726	\$ 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
Local option sales tax	7,961,352	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
Other taxes	93,902	99,262	118,989	144,424	121,816	124,282	131,484	138,512	489,499	162,525
Interest earned on investments	56,252	37,586	67,661	39,775	39,565	99,372	109,491	436,090	1,350,134	2,424,199
Miscellaneous	-	441,373	1,567,406	312,523	432,380	206,482	72,410	107,007	-	-
Transfers	459	-	-	(18,296)	24,359	88,793	5,704	(30,684)	148,698	(2,882)
<b>Total governmental activities</b>	<b>\$ 38,039,691</b>	<b>\$ 38,306,411</b>	<b>\$ 38,903,257</b>	<b>\$ 37,118,171</b>	<b>\$ 37,120,220</b>	<b>\$ 35,916,604</b>	<b>\$ 36,158,444</b>	<b>\$ 36,700,162</b>	<b>\$ 39,419,620</b>	<b>\$ 40,700,918</b>
Business-type activities:										
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,899	\$ 84,494
Privilege Tax	70,542	67,973	74,366	83,280	84,179	81,674	78,893	76,003	-	-
Interest	11,911	3,357	5,556	7,036	8,427	16,273	26,229	156,961	426,944	485,943
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(459)	-	-	18,296	(24,359)	(88,793)	(5,704)	30,684	(148,698)	2,882
<b>Total business-type activities</b>	<b>\$ 81,994</b>	<b>\$ 71,330</b>	<b>\$ 79,922</b>	<b>\$ 108,612</b>	<b>\$ 68,247</b>	<b>\$ 9,154</b>	<b>\$ 99,418</b>	<b>\$ 263,648</b>	<b>\$ 362,145</b>	<b>\$ 573,319</b>
<b>Total primary government</b>	<b>\$ 38,121,685</b>	<b>\$ 38,377,741</b>	<b>\$ 38,983,179</b>	<b>\$ 37,226,783</b>	<b>\$ 37,188,467</b>	<b>\$ 35,925,758</b>	<b>\$ 36,257,862</b>	<b>\$ 36,963,810</b>	<b>\$ 39,781,765</b>	<b>\$ 41,274,237</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 271,003	\$ 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)
Business-type activities	352,437	(227,607)	(216,727)	150,414	(2,789,083)	(706,596)	610,807	36,855	717,655	1,994,109
<b>Total primary government</b>	<b>\$ 623,440</b>	<b>\$ 2,113,166</b>	<b>\$ (3,225,325)</b>	<b>\$ (811,642)</b>	<b>\$ (560,573)</b>	<b>\$ 1,333,390</b>	<b>\$ 4,112,057</b>	<b>\$ (832,886)</b>	<b>\$ (644,791)</b>	<b>\$ (5,461,472)</b>

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	\$ 7,830,230	\$ 7,092,581	\$ 6,680,731	\$ 6,724,983
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	24,021,981	22,939,596	24,385,840	25,854,498
Nonspendable	\$ 193,435	\$ 108,076	\$ 47,097	\$ 67,992	\$ 787,417	\$ 118,618	-	-	-	-
Restricted	19,488,758	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	4,007,178	4,658,251	1,882,934	3,497,218	4,530,361	3,941,401	-	-	-	-
Unassigned	2,271,623	8,329,303	11,643,265	10,528,955	13,226,413	17,589,602	-	-	-	-
Total General Fund	\$ 25,960,994	\$ 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
All other governmental funds										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178
Unreserved, reported in:										
Undesignated	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Special revenue funds	N/A	N/A	N/A	N/A	N/A	N/A	1,281,807	1,136,906	1,102,165	1,253,991
Capital projects funds	N/A	N/A	N/A	N/A	N/A	N/A	(2,081,881)	(2,514,505)	(1,731,444)	281,507
Permanent funds	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Restricted	19,966,114	1,844,507	951,229	1,722,420	2,686,525	1,193,269	-	-	-	-
Committed	39,849	145,595	629,102	2,255,244	1,182,015	-	-	-	-	-
Assigned	-	-	-	-	-	1,534,350	-	-	-	-
Unassigned	(965,718)	(736,967)	(1,158,743)	(2,625,090)	(3,344,767)	(2,692,045)	-	-	-	-
Total all other governmental funds	\$ 19,040,245	\$ 1,253,135	\$ 421,588	\$ 1,352,574	\$ 523,773.00	\$ 35,574	\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Ad valorem taxes	\$29,288,453	\$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
Other taxes and licenses	8,055,164	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
Unrestricted intergovernmental revenues	361,425	385,800	347,751	390,315	408,382	727,980	483,341	567,941	561,175	630,484
Restricted intergovernmental revenues	19,902,329	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
Permits and fees	1,358,846	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
Sales and services	3,877,354	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
Investment earnings	54,342	29,823	56,469	21,802	29,070	96,610	104,371	407,156	1,284,516	2,339,579
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	598,374	354,324	329,311	312,426	412,940	206,482	799,583	742,245	649,621	457,060
<b>Total revenues</b>	<b>\$63,496,287</b>	<b>\$56,053,511</b>	<b>\$54,950,648</b>	<b>\$55,100,600</b>	<b>\$55,933,630</b>	<b>\$60,942,272</b>	<b>\$61,086,240</b>	<b>\$61,709,047</b>	<b>\$63,983,039</b>	<b>\$64,343,167</b>
<b>Expenditures</b>										
General government	\$7,161,747	\$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
Public safety	16,200,768	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
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	2,353,686	975,352	866,364	1,097,442	5,351,019	2,455,450	1,711,764	1,435,942	853,024	4,636,172
Human services	21,756,228	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
Cultural and recreational	655,299	631,639	711,853	680,198	735,805	596,275	584,198	612,437	595,436	543,258
Public Health	-	-	-	-	-	-	-	-	-	-
Education	13,339,997	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
Capital outlay	-	-	-	-	-	-	-	-	1,822,427	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	1,605,812	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
Interest	802,052	821,056	854,222	921,099	936,291	396,649	460,168	532,773	579,473	637,841
<b>Total expenditures</b>	<b>\$63,875,589</b>	<b>\$54,683,068</b>	<b>\$54,854,593</b>	<b>\$57,478,840</b>	<b>\$67,370,544</b>	<b>\$59,771,708</b>	<b>\$58,933,746</b>	<b>\$63,846,206</b>	<b>\$69,390,280</b>	<b>\$80,901,209</b>
Excess of revenues over (under) expenditures	\$ (379,302)	\$ 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)
<b>Other financing sources (uses)</b>										
Intrafund transfers in (out)	-	-	-	-	-	-	-	-	-	-
Transfers in-	301,089	421,791	1,292,222	296,406	1,076,323	2,069,142	660,665	887,783	1,016,154	1,029,132
Transfers out-	(954,130)	(2,190,350)	(4,474,827)	(1,461,896)	(826,964)	(1,755,349)	(429,961)	(693,467)	(642,456)	(807,014)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Installment purchase obligations issued	18,036,030	-	450,000	-	2,552,967	-	-	-	950,796	506,692
Total other financing sources (uses)	17,382,989	(1,768,559)	(2,732,605)	(1,165,490)	2,802,326	313,793	230,704	194,316	1,324,494	728,810
<b>Net change in fund balances</b>	<b>\$17,003,687</b>	<b>\$ (398,116)</b>	<b>\$ (2,636,550)</b>	<b>\$ (3,543,730)</b>	<b>\$ (8,634,588)</b>	<b>\$ 1,484,357</b>	<b>\$ 2,383,198</b>	<b>\$ (1,942,843)</b>	<b>\$ (4,082,747)</b>	<b>\$ (15,829,232)</b>
Debt services as a percentage of noncapital expenditures	3.77%	4.53%	5.19%	4.89%	4.82%	4.86%	5.34%	5.10%	4.84%	4.39%

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

Fiscal Year	Real Property			Total	Total Direct Tax Rate
	Residential Property	Public Service	Personal Property		
2016	\$ 2,460,089,839	\$ 213,106,196	\$ 793,085,187	\$ 3,466,281,222	0.7300
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

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>County Direct Rates</b>										
Halifax	\$ 0.7300	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6850
<b>Components of Direct Rates</b>										
Public Safety	0.143832	0.134612	0.125392	0.125392	0.125392	0.125392	0.125392	0.125392	0.125392	0.125392
Education	0.228852	0.214182	0.199512	0.199512	0.199512	0.199512	0.199512	0.199512	0.199512	0.199512
Operational Services	0.407316	0.381206	0.355096	0.355096	0.355096	0.355096	0.355096	0.355096	0.355096	0.355096
<b>City Rates</b>										
Roanoke Rapids	0.6510	0.6510	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.5790
Enfield	0.8380	0.8380	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
Halifax	0.6600	0.6600	0.6000	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Scotland Neck	0.7850	0.7850	0.7000	0.7000	0.6400	0.6400	0.6000	0.6000	0.6000	0.6000
Hobgood	0.6500	0.6500	0.5700	0.5700	0.5700	0.5700	0.5700	0.5700	0.4500	0.4500
Littleton	0.8000	0.8000	0.7000	0.6500	0.6500	0.6500	0.6500	0.6100	0.6500	0.6500
Weldon	0.7700	0.7700	0.6600	0.6600	0.6600	0.6600	0.6800	0.7500	0.7500	0.7500
<b>School District</b>										
Weldon	0.2000	0.1818	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Roanoke Rapids	0.2250	0.2250	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	-	-
<b>Fire Districts</b>										
Rheasville	0.0705	0.0705	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0563	0.0700
Davie	0.0945	0.0945	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0720	0.0700
Darlington	0.0890	0.0890	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0672	0.0700
Thelma	0.0000	0.0000	-	-	-	-	-	-	-	0.0700
Littleton	0.0534	0.0534	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.3300	0.0600
Brinkleyville	0.0000	0.0000	-	-	-	-	-	-	-	-
Arcola	0.0677	0.0677	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.5520	0.0700
Enfield	0.0690	0.0690	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Halifax	0.0728	0.0728	0.0726	0.0726	0.0726	0.0726	0.0726	0.0726	0.0626	0.0600
Hobgood	0.0685	0.0685	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0700
Scotland Neck	0.0690	0.0690	0.0700	0.0700	0.0700	0.0700	0.0649	0.0649	0.0649	0.0600
Weldon	0.0894	0.0894	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0900
Tillery	0.0475	0.0475	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0488	0.0500
<b>Hospital District</b>										
Our Community Hospital	0.0124	0.0124	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200

Source: State Department of Revenue, Bureau of Property Tax

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kapstone Kraft Paper Corporation	\$ 159,511,944	1	26.95%	\$ 164,732,794	1	34.84%
Dominion-Virginia Power	120,285,030	2	20.32%	114,090,601	2	24.13%
Klausner Lumber Two LLC	93,033,300	3	15.72%	77,618,484	3	16.42%
Westmoreland LG&E Partners	92,435,537	4	15.62%	20,023,761	4	4.24%
Reser's Fine Food, Inc.	30,940,978	5	5.23%	17,963,547	5	3.80%
Kennametal Inc	26,190,776	6	4.42%	17,582,553	6	3.72%
CSX Transportation Inc	22,889,951	7	3.87%	15,749,940	7	3.33%
Halifax EMC	19,501,863	8	3.29%	15,142,817	8	3.20%
Safelite Glass Corp	13,732,188	9	2.32%	15,053,630	9	3.18%
RAE-ME North Carolina LLC	13,378,200	10	2.26%	14,838,320	10	3.14%
Totals	\$ 591,899,767		100.00%	\$ 472,796,447		100.00%

Source: State Department of Revenue, Bureau of Property Tax

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

Fiscal Year	Taxes Levied for the Fiscal Year		Adjustments	Adjusted Levy	Total	Collected within the Fiscal Year of the Levy		Collection In Subsequent Years	Total Collections to Date	
	(Original Levy)					Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	\$ 25,417,962	\$ (77,587)	\$ 25,340,375	\$ 24,322,725	95.98%	\$ -	24,322,725	95.98%		
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%		

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2016	\$ 18,909,122	\$ -	\$ 18,909,122	1.9%	0.55%	\$ 345.74
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

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, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ 32,831,436	100%	\$ -
Underlying:			
Enfield	-	100%	-
Halifax	-	100%	-
Littleton	-	100%	-
Roanoke Rapids	-	100%	-
Scotland Neck	-	100%	-
Weldon	-	100%	-
<b>Total</b>	<b>\$ 32,831,436</b>		<b>\$ -</b>

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				Percentage of Personal Income		Per Capita	
	Capital Leases	Notes Payable	Certificate of Participation	Qualified Zone Academy Bond	Qualified School Construction Bond	Elementary School	Manning	General	Water Revenue Bonds	Notes Payable		Total Primary Government
2016	\$ 141	\$ 3,960	\$ 8,500	\$ 1,642	\$ 1,812	\$ 18,100	\$ 18,909	\$ 2,595	\$ 3,215	\$ 58,874	5.96%	\$ 1,076.48
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

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Assessed Value of Property	\$ 3,466,305	\$ 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
Debt limit, 8% of Assessed Value (Statutory Limitation)	277,304	292,431	298,827	288,553	287,456	284,392	283,308	281,281	281,292	225,725
Amount of Debt Applicable to Limit	277,304	292,431	298,827	288,553	287,456	284,392	283,308	281,281	281,292	225,725
General Obligation Bonds	18,909	19,756	20,576	21,362	22,065	22,629	21,062	14,595	14,918	15,230
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Installment purchase contracts**	37,228	20,861	22,076	22,378	22,409	21,906	24,324	26,943	29,683	31,558
Capital Leases	141	158	175	223	272	-	-	-	-	-
Revenue Bonds	2,595	2,640	2,687	2,687	-	-	-	-	-	-
Total net debt applicable to limit	58,873	43,415	45,514	46,650	44,746	43,971	45,386	26,943	29,683	31,558
Legal debt margin	\$ 218,431	\$ 249,016	\$ 253,313	\$ 241,903	\$ 242,710	\$ 240,421	\$ 237,922	\$ 254,338	\$ 251,609	\$ 194,167
Total net debt applicable to the limit as a percentage of debt limit	13.42%	7.13%	7.39%	7.76%	7.80%	7.70%	8.59%	9.58%	10.55%	13.98%

\*\*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		School Enrollment	Unemployment Rate
		(thousands of dollars)	Per Capita Personal Income		
2016	54,691	\$ 987,227	\$ 18,051	6,479	8.1%
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%

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**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Halifax Regional Medical Center	831	1	14.76%	800	2	13.53%
County of Halifax	535	2	9.50%	640	3	10.82%
KapStone	480	3	8.53%	492	4	8.32%
Halifax County Schools	473	4	8.40%	900	1	15.22%
Roanoke Rapids City Schools	413	5	7.34%	405	6	6.85%
Reser's Fine Foods	350	6	6.22%	200	10	3.38%
AAA Carolinas	324	7	5.76%	275	8	4.65%
Wal-Mart, Inc.	298	8	5.29%	374	7	6.33%
Safelite (Belron USA)	250	9	4.44%	412	5	6.97%
New Dixie Oil	211	10	3.75%	175	14	2.96%
Weldon City Schools	192	11	3.41%	200	11	3.38%
PCB Piezotronics	185	12	3.29%	127	17	2.15%
Rural Health Group (Halifax only)	170	13	3.02%	0	18	0.00%
Don Pancho	148	14	2.63%	0	19	0.00%
Patch Rubber	147	15	2.61%	185	13	3.13%
City of Roanoke Rapids	147	16	2.61%	157	15	2.66%
Halifax Community College	132	17	2.34%	234	9	3.96%
Kennametal	121	18	2.15%	142	16	2.40%
Halifax Linen Service	103	19	1.83%	195	12	3.30%
Klausner Lumber Two	42	20	0.75%	0	20	0.00%
Meherrin River Forest Products	39	21	0.69%	0	21	0.00%
Aunt Ruby's Peanuts	<u>38</u>	22	<u>0.68%</u>	<u>0</u>	22	<u>0.00%</u>
<b>Total</b>	<b><u>5,629</u></b>		<b><u>100.00%</u></b>	<b><u>5,913</u></b>		<b><u>100.00%</u></b>

Source: State Department of Commerce.

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

<b>Function/Program</b>	<b>Full-Time Equivalent Employees as of June 30</b>									
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Justice and law enforcement	106	98	95	91	91	91	88	88	73	75
Health and human services	253	253	248	262	263	263	263	283	288	300
Environment, parks, and education	7	7	7	7	7	5	6	12	3	5
Public works	24	24	24	17	17	20	20	24	24	26
General government	167	187	185	168	168	152	162	163	168	174
<b>Total</b>	<b>557</b>	<b>569</b>	<b>559</b>	<b>545</b>	<b>546</b>	<b>531</b>	<b>539</b>	<b>570</b>	<b>556</b>	<b>580</b>

Source: County Budget Office.

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

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Sheriff										
Volume of calls	50,914	43,657	37,425	37,196	37,442	38,489	28,006	38,257	38,620	35,010
Incident reports filed	2,336	2,370	2,515	2,257	2,431	2,706	2,069	3,188	2,835	2,229
EMS										
Volume of calls	12,632	12,753	12,925	13,483	12,859	12,553	12,339	12,076	11,290	11,041
Response time (in minutes)	9.80	9.69	9.80	8.89	8.75	2.1	8	8.43	8.63	8.31
Transports	8,936	9,161	9,436	10,176	9,154	9,100	9,030	8,917	8,422	8,006
Water										
New connections	72	85	130	82	75	111	85	191	233	168
Water mains breaks	15	13	12	11	14	2	21	10	9	10
Average daily consumption (thousands of gallons)	2,390,509	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

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Public safety										
Sheriff										
Stations	2	2	2	1	1	1	1	1	1	1
Patrol units	91	87	86	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	21	20	20	20	19	19	19
Water										
Water mains (miles)	618	618	613.87	568.29	568.29	565.60	540.50	520.50	506.54	449.84
Fire hydrants	1,837	1,837	1,820	1,622	1,622	1,615	1,550	1,502	1,452	1,338
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	4,050,000	2,825,000
Sewer										
Sanitary sewers (miles)	11.5	11.5	11.5	11.5	11.5	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**



This page left intentionally blank

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

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

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

### **Independent Auditor's Report**

To the Board of Commissioners  
Halifax County  
Halifax, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2016, 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 12, 2016. Our report includes a reference to other auditors who audited the financial statements of the Halifax County ABC Board, as described in our report on Halifax County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Halifax County ABC Board and the Halifax County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

### **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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Halifax County's financial statements are free from 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 no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 12, 2016

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

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

## **Report On Compliance With Requirements Applicable To Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance, And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

Board of Commissioners  
Halifax County  
Halifax, North Carolina

### **Report On Compliance for Each Major Federal Program**

We have audited Halifax County, North Carolina's, compliance with the types of compliance requirements described in the OMB *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, 2016. Halifax County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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.

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324  
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085  
Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

## Opinion On Each Major Federal 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 federal programs for the year ended June 30, 2016.

## Report On Internal Control Over Compliance

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 Uniform Guidance, 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001, 2016-002, and 2016-003 that we consider to be significant deficiencies.

Halifax County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. 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 the OMB Uniform Guidance. 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 12, 2016

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

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

## **Report On Compliance With Requirements Applicable To Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

Board of Commissioners  
Halifax County  
Halifax, North Carolina

#### **Report On Compliance for Each Major State Program**

We have audited 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, 2016. Halifax County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, 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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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.

## 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, 2016.

## Report On Internal Control Over Compliance

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 State program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, 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 State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001, 2016-002, and 2016-003 to be significant deficiencies.

Halifax County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. 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 the Uniform Guidance. 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 12, 2016

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiencies identified? \_\_\_\_\_ Yes      X   None reported

Non-compliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiencies identified?   X   Yes    \_\_\_\_\_ 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 2 CFR 200.516(a)?

Yes

Identification of major federal programs:

**Federal Program**

**CFDA Number**

Medicaid Cluster

93.778, 93.777, 93.775

Dollar threshold used to distinguish between Type A and Type B Program?

\$2,530,845

Auditee qualified as low-risk auditee?

No



# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

---

### Section II – Financial Statement Findings

---

None

---

### Section III – Federal Award Findings and Questioned Costs

---

#### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: DMA 2016

#### Finding: 2016-001

#### SIGNIFICANT DEFICIENCY

**Criteria:** In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe by logging out of the State system or locking unattended workstations.

**Condition:** Upon surprise inspection, three unattended workstations of DSS employees were logged onto the State network without anyone attending to the workstations.

**Context:** While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

**Effect:** Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

**Cause:** Lack of proper internal controls over data security.

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

**Recommendation:** Require the DSS employees to implement procedures to require logout of workstations where access to the State DSS system is granted. The control procedures should include random verification of logout in instances where workstations are unattended.

**View of Responsible Officials and Planned Corrective Actions:** The County agrees with this finding and will adhere to the Corrective Action Plan on page 169 of the audit report.

# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

---

### Section III – Federal Award Findings and Questioned Costs (continued)

---

#### **US Department of Health and Human Services**

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: DMA 2016

#### **Finding: 2016-002**

#### **SIGNIFICANT DEFICIENCY**

##### **Eligibility**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including residency forms, properly calculated budgets, citizenship verification, and signed applications. Management should ensure that such documentation is retained in the applicants' casefile. Management should ensure that timely ex parte reviews are completed for recertification.

**Condition:** One of the applicants had a budget with the incorrect income. Upon further review, applicant was ultimately eligible.

**Context:** Of the 8,200 casefiles, we examined 60 and we determined that one applicant lacked information available for eligibility determination or timely redetermination. The applicant's file lacked a properly calculated budget. Upon further review and recalculation, the applicant was deemed eligible.

**Effect:** Casefiles could be missing the required documentation which would allow benefits to be provided to individuals who were not eligible.

**Cause:** Caseworker used incorrect income to calculate budget.

**Questioned Cost:** None. The County was able to substantiate that the applicant was eligible to receive benefits.

**Recommendation:** Caseworkers should review their eligibility determinations and ensure all items on their checklist of items required before approving benefits are contained in the casefile.

**Views of Responsible Officials and Planned Corrective Actions:** The County agrees with this finding and will adhere to the Corrective Action Plan on page 169 of the audit report.

# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

---

### Section III – Federal Award Findings and Questioned Costs (continued)

---

#### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: DMA 2016

#### Finding: 2016-003

#### SIGNIFICANT DEFICIENCY

##### Eligibility

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure transfer cases are handled according to program policy.

**Condition:** One of the applicants was not electronically transferred in NCFAST to the receiving County properly and benefits continued to be provided by Halifax County.

**Context:** Of the 8,200 casefiles, we examined 60 and for one applicant, we could not substantiate eligibility due to lack of casefile. Casefile was sent to receiving County, but applicant benefits remained in original County due to failure to electronically transfer in NCFAST.

**Effect:** Applicant could receive benefits they are not eligible for due to inability to determine eligibility based on lack of case file.

**Cause:** Evidence that the casefile was transferred to the receiving County, but the case was not electronically transferred in NC FAST to the receiving County.

**Questioned Cost:** None. The County was able to substantiate that the applicant was eligible to receive benefits.

**Recommendation:** Caseworkers should complete transfers in the file and NCFAST.

**Views of Responsible Officials and Planned Corrective Actions:** The County agrees with this finding and will adhere to the Corrective Action Plan on page 169 of the audit report.

# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

---

### Section IV – State Award Findings and Questioned Costs

---

#### **N.C. Department of Health and Human Services**

Program Names: Medical Assistance Program (Medicaid; Title XIX) and State/County Special Assistance for Adults

**Finding: 2016-001**– In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe. See more details at Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs.

#### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2016-002** – Management should have an adequate system of internal control procedures in place to ensure casefiles are complete for determining eligibility including residency forms, properly calculated budgets, citizenship verification, and signed applications. Management should ensure that such documentation is retained in the applicants' casefile. See more details at Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs.

#### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2016-003** – Management should have an adequate system of internal control procedures in place to ensure transfer cases are handled according to program policy. See more details at Finding 2016-003 in Section III – Federal Award Findings and Questioned Costs.

# HALIFAX COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

---

### Section III – Federal Award Findings and Questioned Costs

---

#### **Finding: 2016-001**

**Name of Contact Person:** Shakelia Johnson, Computer Systems Administrator II

**Corrective Action/Management’s Response:** All required staff receive annual training on confidentiality guidelines and sign statements which addresses safeguarding sensitive information. Employees have been made aware of the policy regarding locking computers when they are away from their desks. There are controls in place to automatically lock screens after the computer has been idle for 10 minutes. The Computer Systems Administrator will enforce locking screens via GPO after 3 minutes of idle time. Random audits will be performed by the CSA to monitor compliance and violations will be addressed.

**Proposed Completion Date:** Immediately

#### **Finding: 2016-002**

**Name of Contact Person:** Marsha Brown, Income Maintenance Administrator I

**Corrective Action/Management’s Response:** Training on budgets was held on October 19, 2016 in which staff was informed to check OVS/OLV for the correct income. Second party reviews are completed by supervisors and lead worker to check for accuracy and policy compliance.

**Proposed Completion Date:** Immediately

#### **Finding: 2016-003**

**Name of Contact Person:** Marsha Brown, Income Maintenance Administrator I

**Corrective Action/Management’s Response:** The client remained eligible despite the transfer in NCFAST. The department has developed and implemented a “County Transfer of Ongoing Case” procedures checklist to be used in all cases of County to County transfer. The checklist includes NCFAST transfer requirements and will be signed off on by the caseworker and reviewed and signed off by the Supervisor prior to transfer.

**Proposed Completion Date:** Implemented September 2016

# HALIFAX COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

---

### Section IV – State Award Findings and Questioned Costs

---

**Finding: 2016-001**

See Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-002**

See Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-003**

See Finding 2016-003 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Findings Related to the Audit of Basic Financial Statements:**

2015-001 resolved in 2016

2015-002 resolved in 2016

2015-003 resolved in 2016

**Findings Related to the Audit of Federal & State Awards:**

2015-004 resolved in 2016

2015-005 resolved in 2016

2015-006 resolved in 2016



This page left intentionally blank

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
1(a)	1(b)		1(c)(d),2	1(d)	
<b>FEDERAL ASSISTANCE</b>					
<i>Cash Programs</i>					
<b>U. S. Dept. of Health and Human Services</b>					
Passed through the NC Department of Health & Human Services					
<b>Division of Social Services:</b>					
Administration:					
Social Services Block Grant -Adult Day Care	93.667	WC302	\$ 39,101	\$ -	\$ -
Social Services Block Grant -Adult Day Care over 60	93.667	WC302	-	26,405	-
Coastal Political Subdivisions Temporary Assistance to Needy Families to Social Services Block Grant	93.667	WC302	246,870	-	-
Social Services Block Grant - In-Home Services	93.667	WC302	6,226	-	-
Social Services Block Grant - In-Home Services over 60	93.667	WC302	12,641	-	-
Social Services Block Grant Other Svcs & Trng	93.667	WC302	436,760	39,674	-
Total Social Services Block Grant			<u>741,598</u>	<u>66,079</u>	<u>-</u>
Chafee Foster Care Independence Program	93.674	WC302	10,348	2,587	-
Refugee & Entrant Assistance - State Administered Program	93.566	WC302	778	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WC302	1,164	-	-
Child Support Enforcement:					
Child Support Enforcement IV-D Administration	93.563	WC302	986,660	-	-
Child Support Enforcement IV-D Offset Fees - Esc	93.563	WC302	314	-	-
Child Support Enforcement IV-D Offset Fees - Federal	93.563	WC302	3,417	-	-
Promoting Safe and Stable Families	93.556	WC302	11,168	-	-
Direct Benefit Payments:					
Chafee Foster Care Independence Program	93.674	WC302	2,802	-	-
Family Support Payments to States-Assistance Payments	93.560	WC302	(154)	(42)	-
Low-Income Home Energy Assistance:					
Low-Income Home Energy Assistance - Administration	93.568	WC302	67,850	-	-
Low-Income Home Energy Assistance - Home Energy Assistance	93.568	WC302	422,700	-	-
Low-Income Home Energy Assistance - Crisis Intervention Program	93.568	WC302	415,733	-	-
Total Low Income Energy Assistance Block Grant			<u>906,283</u>	<u>-</u>	<u>-</u>
<b>Temporary Assistance for Needy Families Cluster</b>					
Administration:					
Temporary Assistance for Needy Families - Work First Administration	93.558	WC302	23,601	-	-
Temporary Assistance for Needy Families - Work First Service	93.558	WC302	146,284	-	-
Direct Benefit Payments:					
Temporary Assistance to Needy Families - Payments & Penalties	93.558	WC302	540,526	-	-
Total Temporary Assistance for Needy Families Cluster			<u>710,411</u>	<u>-</u>	<u>-</u>
Total Division of Social Services			<u>3,374,789</u>	<u>68,624</u>	<u>-</u>
<b>Administration for Children and Families</b>					
Passed through the NC Department of Health & Human Services					
Temporary Assistance for Needy Families - Cluster	93.558	13A15151T2	14,871	-	-
<b>Child Welfare Services:</b>					
<b>Foster Care and Adoption Cluster (Note 3):</b>					
Administration:					
Foster Care IV-E Coastal Political Subdivisions	93.658	WC302	104,938	49,544	-
IV-E Foster Care Trn	93.658	WC302	14,251	-	-
IV-E Foster Care/Off Trn	93.658	WC302	180,336	-	-
Foster Care Title IV-E	93.658	WC302	249,383	-	-
Adoption Assistance/Off Trn - Title IV-E	93.659	WC302	35,806	-	-
Adoption Assistance Training	93.659	WC302	3,827	-	-
Direct Benefit Payments:					
Foster Care Title IV-E Admin County Paid	93.658	WC302	3,674	1,837	-
Foster Care Title IV-E Family Foster Max	93.658	WC302	1,411	-	-
Foster Care Title IV-E Foster Care	93.658	WC302	43,361	11,087	-
Foster Care Title IV-E Foster Care in Excess	93.658	WC302	45,216	11,087	-
Adoption Assistance Adopt Subsidy & Vendor	93.659	WC302	227,880	57,193	-
Total Foster Care and Adoption Cluster			<u>910,083</u>	<u>130,748</u>	<u>-</u>

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b>Division of Child Development:</b>					
<b>Subsidized Child Care Cluster (Note 3):</b>					
<b>Child Care Development Fund Cluster:</b>					
<b>Division of Social Services:</b>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WC302	80,319	-	80,319
<b>Division of Child Development:</b>					
Child Care and Development Block Grant -- Discretionary	93.575	13811810DY42	588,494	-	588,494
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	13801810MP42	168,725	-	168,725
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	13801810V142	658,010	301,738	959,748
Total Child Care Development Fund Cluster			1,495,548	301,738	1,797,286
Temporary Assistance for Needy Families	93.558	13801810T242	146,823	-	-
Foster Care Title IV-E	93.658	13801817K442	11,088	5,679	-
State Appropriations			-	11,667	-
Temporary Assistance to Needy Families-MOE			-	169,229	-
Total Subsidized Child Care Cluster			1,653,459	488,313	1,797,286
Total Administration for Children and Families			2,578,413	619,061	1,797,286
<b>Centers for Medicare and Medicaid Services</b>					
<b>Division of Medical Assistance:</b>					
<b>Division of Social Services:</b>					
<b>Medicaid Cluster:</b>					
Administration:					
Medical Assistance Program - Adt Cr Hm Cs Mgt/Spec	93.778	WC302	13,784	2,165	-
Medical Assistance Program - MAC	93.778	WC302	34,897	-	-
Medical Assistance Program - Admin	93.778	WC302	1,956,669	-	-
Medical Assistance Program - Transp Service	93.778	WC302	106,137	54,255	-
Medical Assistance Program - State Co Special Asst	93.778	WC302	29,504	-	-
Direct Benefit Payments:					
Medical Assistance Program	93.778	DMA 2016	69,997,220	40,106,740	-
Total Medicaid Cluster			72,138,211	40,163,160	-
Children's Health Insurance Program:					
Children's Health Insurance Program - NC Health Choice - Administration	93.767	WC302	66,145	54	-
Children's Health Insurance Program - NC Health Choice - Direct Benefit Payments	93.767	DMA 2016	1,093,246	339,025	-
Total Children's Health Insurance Program			1,159,391	339,079	-
Total Centers for Medicare and Medicaid Services			73,297,602	40,502,239	-
<b>Centers for Disease Control &amp; Prevention</b>					
passed through NC Dept of Health & Human Services					
<b>Division of Public Health:</b>					
Public Health Emergency Preparedness	93.069	12642680EW	36,528	-	-
Hospital Preparedness Program (HPP) & Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680M8	4,241	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094	1313372CSW	2,350	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ANF	30,592	-	-
Childhood Immunization Cooperative Agreements	93.268	1331631CEJ	16,895	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	1320310DJS	4,335	-	-
HIV Prevention Activities - Health Department Based	93.940	1311981DHV	2,000	-	-
Assistance Programs for Chronic Disease Prevention and Control	93.945	1271684BPR	1,250	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	1311462BNB	510	-	-
Preventive Health and Health Services Block Grant			30,991	-	-
Total Centers for Disease Control and Prevention	93.991	12615503PH	129,692	-	-
<b>Health Resources &amp; Service Administration</b>					
passed through NC Dept of Health & Human Services					
<b>Division of Public Health:</b>					
Maternal and Child Health Federal Consolidation Programs	93.110	1271130JKN	7,000	-	-
Healthy Start Initiatives	93.926	13A1530BJA	158,484	-	-
Maternal and Child Health Services Block Grant to the States	93.994	12715745AP	223,878	93,849	-
Total Health Resources & Service Administration			389,362	93,849	-

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b>Office of Population Affairs</b>					
Passed through NC Dept of Health & Human Services					
<b>Office of Population Affairs:</b>					
Family Planning Services	93.217	13A1592AFP	70,406	-	-
Total Office of Population Affairs			70,406	-	-
<b>Division of Aging &amp; Adult Services:</b>					
<b>Upper Coastal Plain Council of Government</b>					
<b>Aging Cluster:</b>					
Special Program for the Aging, Title III, Part B Grants for Supportive Services & Senior Centers:					
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers - Access Services - Title III-B	93.044	NC 01	38,505	2,265	-
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers In Home III-B	93.044	NC 01	137,378	8,081	-
Special Program for the Aging, Title III, Part C Nutrition Services:					
Special Programs for the Aging-Title III, Part C, Nutrition Services - Congregate Nutrition, Title III-C1	93.045	NC 01	52,575	3,093	-
Special Programs for the Aging, Title III, Part C, Nutrition Services - Home Delivered Meals, Title III-C2	93.045	NC 01	27,485	1,617	-
Social Services Block Grant	93.667	NC 01	29,003	829	-
Total Aging Cluster			284,946	15,885	-
Social Services Block Grant	93.667	WC 302	38,388	1,097	-
Total Upper Coastal Plain Council of Government			323,334	16,982	-
<b>Total U.S. Dept. of Health and Human Services</b>					
			<b>80,163,598</b>	<b>41,300,755</b>	<b>1,797,286</b>
<b>U. S. Department of Education</b>					
Passed through NC Dept of Health & Human Services					
<b>Division of Public Health:</b>					
Race to the Top - Early Learning Challenge	84.412	127317D21R	175,547	-	-
<b>Total U.S. Department of Education</b>					
			<b>175,547</b>	<b>-</b>	<b>-</b>
<b>U. S. Department of Agriculture</b>					
Passed through NC Department of Health and Human Services					
<b>Division of Public Health</b>					
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	13A25403GG	1,860,375	-	-
<b>Division of Social Services:</b>					
<b>Supplemental Nutrition Assistance Program Cluster:</b>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster:					
Supplemental Nutrition Assistance Program-Administration	10.561	WC302	738,421	-	-
Supplemental Nutrition Assistance Program-Fraud Administration	10.561	WC302	17,743	-	-
F.S. County Incentive	10.561	WC302	-	291	-
Total Supplemental Nutrition Assistance Program Cluster			756,164	291	-
Passed through Upper Coastal Plain Council of Govt.					
Nutrition Program for the Elderly	10.570	NC 01	16,887	-	-
Passed through NC Department of Agriculture					
<b>Food Distribution Cluster:</b>					
Commodity Supplemental Food Program	10.565	04201000CSF	314,088	-	-
Total Food Distribution Cluster			314,088	-	-
Direct Program:					
<b>Water and Waste Program Cluster:</b>					
Water and Waste Disposal Systems for Rural Communities -					
Water Construction Phase XI - Development Grant	10.760	WIF-1699B	320,257	-	-
Total Water and Waste Program Cluster			320,257	-	-
<b>Total U.S. Dept. of Agriculture</b>					
			<b>3,267,771</b>	<b>291</b>	<b>-</b>

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b><u>U.S. Environmental Protection Agency</u></b>					
Passed-through N.C. Department of Environmental and Natural Resources					
Clean Water State Revolving Fund Cluster:					
Capitalization Grants for Clean Water State Revolving Loan (Note 4)	66.458	CS370629-02	238,429	-	-
Total Clean Water State Revolving Fund Cluster			238,429	-	-
<b>Total U.S. Environmental Protection Agency</b>			<b>238,429</b>	<b>-</b>	<b>-</b>
<b><u>U.S. National Foundation on the Arts and the Humanities</u></b>					
Passed through NC Department of Cultural Resources:					
Grants to States	45.310	LS-00-15-0034-15	2,295	-	-
<b>Total U.S. National Foundation on the Arts</b>			<b>2,295</b>	<b>-</b>	<b>-</b>
<b><u>U. S. Department of Transportation</u></b>					
Passed through NC Department of Transportation					
<b>Highway Planning and Construction Cluster:</b>					
Peanut Belt Rural Transportation Planning Organization	20.205	45439.1.14 - 44525.1.14	92,500	-	-
<b>Total U. S. Department of Transportation</b>			<b>92,500</b>	<b>-</b>	<b>-</b>
<b>Federal Emergency Management Agency</b>					
Passed through NC Department of Public Safety					
Division of Emergency Management					
Pre-Disaster Mitigation Regional Hazard Mitigation Plan	97.047	PDMC-PL-04-NC-2013-006	34,500	-	-
<b>Total FEMA</b>			<b>34,500</b>	<b>-</b>	<b>-</b>
<b><u>U. S. Dept. of Housing and Urban Development</u></b>					
Passed through NC Department of Commerce					
Division of Economic and Community Development					
Community Development Block Grants - 2011 Scattered Site Rehab Project	14.228	08-C-1823	81,053	-	-
Passed through NC Department of Environmental Quality					
Division of Water Infrastructure					
Community Development Block Grants - 2014 Infrastructure Aeration System	14.228	13-I-2630	4,353	-	-
<b>Total U.S. Dept. of Housing and Urban Development</b>			<b>85,406</b>	<b>-</b>	<b>-</b>
<b><u>U.S. Department of Justice</u></b>					
Direct Program:					
Equitable Sharing Program	16.922		57,467	-	-
Passed through the NC Department of Crime Control and Public Safety					
Juvenile Justice Delinquency Prevention - Allocation to States	16.540	842-XXXX	207,002	-	-
Edward Byrne Memorial Justice Assistance Grant Program - Gang Task Force	16.738	2014-DJ-BX-1148	36,985	-	-
Bulletproof Vest Partnership Program			-	2,094	-
<b>Total U.S. Department of Justice</b>			<b>301,454</b>	<b>2,094</b>	<b>-</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>84,361,500</b>	<b>41,303,140</b>	<b>1,797,286</b>

## STATE AWARDS

**North Carolina Department of Health and Human Services****Division of Aging:**

Passed through Upper Coastal Plain Council of Governments

Access Services	-		-	37,661	-
Home-Delivered Meals	-		-	44,108	-
In-Home Services	-		-	211,398	-
Caregiver Match	-		-	1,267	-
Total Upper Coastal Plain Council of Governments	-		-	294,434	-

**Division of Public Health:**

Food and Lodging Fees	-		-	11,146	-
General Aid to Counties	-		-	141,135	-
General Communicable Disease Control	-		-	2,293	-
Diabetes Regional Consultant	-		-	16,987	-
Breast and Cervical Cancer Program	-		-	2,040	-
Child Health	-		-	275	-
HMHC - Family Planning	-		-	28,133	-
Maternal Health (HMHC)	-		-	9,806	-

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
Women's Health Service Fund			-	12,868	-
HIV/STD Social Services Block Grant Aid			-	500	-
Sexually Transmitted Diseases			-	3,002	-
School Nurse Funding Initiative			-	250,000	-
Tuberculosis			-	66,352	-
TB Medical Services			-	2,518	-
Total Division of Public Health			-	547,055	-
<b>Division of Social Services:</b>					
Administration:					
St Child Welfare/Coastal Political Subdivisions/CS LD			-	133,317	-
DCD Smart Start			-	34,043	-
Energy Assist Private Grants			-	5,524	-
AFDC Incent/Prog Integrity			-	315	-
Direct Benefits Payments:					
CWS Adoption Subsidy & Vendor			-	103,080	-
F/C At Risk Maximization			-	477	-
State/County Special Assistance for Adults			-	672,692	-
SFHF Maximization			-	41,305	-
State Foster Home			-	19,658	-
Total Division of Social Services			-	1,010,411	-
<b>Total NC Dept of Health and Human Services</b>			-	<b>1,851,900</b>	-
<b>North Carolina Department of Transportation</b>					
Rural Operating Assistance Program (ROAP) Cluster:					
Rural General Public Transportation			-	76,604	-
Elderly and Handicapped Transportation			-	68,104	-
Work First Transportation			-	16,592	-
Total Rural Operating Assistance Program Cluster			-	161,300	-
Highway Construction Program	DOT-18		-	161,075	-
Peanut Belt Rural Transportation Planning Organization			-	92,500	-
<b>Total NC Department of Transportation</b>			-	<b>414,875</b>	-
<b>North Carolina Department of Correction</b>					
Criminal Justice Co-op Student Incentive Program			-	80,507	-
Teen Court			-	26,631	-
<b>Total NC Department of Correction</b>			-	<b>107,138</b>	-
<b>North Carolina Department of Crime Control &amp; Public Safety</b>					
Hazardous Materials Emergency Planning Grant			-	2,295	-
Emergency Management - Supplement Award			-	38,542	-
Internet Crimes Against Children (ICAC) State Task Force			-	20,564	-
<b>Total NC Dept of Crime Control &amp; Public Safety</b>			-	<b>61,401</b>	-
<b>North Carolina Department of Cultural and Natural Resources</b>					
Division of State Library:					
State Aid to Libraries			-	99,183	-
<b>Total NC Dept of Cultural and Natural Resources</b>			-	<b>99,183</b>	-
<b>North Carolina Department of Environmental Quality</b>					
Division of Natural Resources:					
Economic & Physical Development State Grant			-	3,600	-
State Cost Share			-	20,488	-
Soil Health Cotton Cvr Crop Int			-	2,728	-
Division of Waste Management:					
Scrap Tires Grant			-	4,477	-
Division of Water Resources:					
LGWCC-Aquatic Weed Control Grant			-	75,000	-
<b>Total NC Department of Environmental Quality</b>			-	<b>106,293</b>	-

## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>
<b><u>North Carolina Department of Insurance</u></b>					
Division of Senior Health Insurance and Information Program:					
SHIIP Grant			-	2,849	-
SHIIP MIPPA Grant			-	1,539	-
<b>Total NC Department of Insurance</b>			<b>-</b>	<b>4,388</b>	<b>-</b>
<b><u>North Carolina Department of Administration</u></b>					
Department of Veteran's Affairs			-	1,525	-
<b>Total NC Dept of Admin</b>			<b>-</b>	<b>1,525</b>	<b>-</b>
<b><u>North Carolina Department of Public Instruction</u></b>					
Public School Building Capital Fund - Lottery Funds			-	348,718	348,718
<b>Total NC Department of Public Instruction</b>			<b>-</b>	<b>348,718</b>	<b>348,718</b>
<b>TOTAL STATE AWARDS</b>			<b>-</b>	<b>2,995,421</b>	<b>348,718</b>
<b>Total Federal and State Awards</b>			<b>\$ 84,361,500</b>	<b>\$ 44,298,561</b>	<b>\$ 2,146,004</b>

**Notes to Schedule of Expenditures of Federal and State Awards:****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, 2016. The information in this SEFSA is presented in accordance with the requirements of *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Halifax County has elected not to use the 10-percent de minimus cost rate as allowed under the Uniform Guidance.

**Note 3: 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

**Note 4: Loans Outstanding**

Halifax County had the following loan balances outstanding at June 30, 2016 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2016 consist of:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Capitalization Grants for Clean Water State Revolving Loan	66.458	CS370629-02	\$ 925,632