

# **HALIFAX COUNTY NORTH CAROLINA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2017**



**HALIFAX COUNTY  
NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**For the Fiscal Year Ended June 30, 2017**

**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, 2017

### 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><u>Exhibit</u></b> | <b>Government-Wide Financial Statements:</b>  |             |
| 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<br>Changes in Fund Balances - Governmental Funds   | 20          |
| E                     | Reconciliation of the Statement of Revenues,<br>Expenditures, and Changes in Fund Balances -<br>Governmental Funds to the Statement of Activities | 21          |
| F                     | General Fund - Statement of Revenues, Expenditures,<br>and Changes in Fund Balance - Budget and Actual  | 22          |
| G                     | Statement of Net Position - Proprietary Funds   | 23          |
| H                     | Statement of Revenues, Expenses, and Changes<br>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>  | 28-76       |

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

### TABLE OF CONTENTS

| <u>Schedule</u> |  | <u>Page</u> |
|-----------------|--|-------------|
|                 | <b>Required Supplemental Financial Data:</b>   |             |
| A-1             | Schedule of Changes in Total Pension Liability -<br>Law Enforcement Officers' Special Separation Allowance   | 77          |
| A-2             | Schedule of Total Pension Liability as a Percentage of<br>Covered Payroll - Law Enforcement Officers' Special<br>Separation Allowance                            | 78          |
| A-3             | Other Post-Employment Benefits - Retiree Health Plan -<br>Required Supplementary Information   | 79          |
| A-4             | Halifax County's Proportionate Share of Net Pension<br>Liability (Asset) - Local Government Employees'<br>Retirement System - Required Supplementary Information | 80          |
| A-5             | Halifax County's Contributions -<br>Local Government Employees' Retirement System<br>Required Supplementary Information  | 81          |
| A-6             | Halifax County's Proportionate Share of Net Pension<br>Liability (Asset) - Register of Deeds' Supplemental<br>Pension Fund                                       | 82          |
| A-7             | Halifax County's Contributions -<br>Register of Deeds' Supplemental Pension Fund   | 83          |
|                 | <b>Supplementary Information:</b>  |             |
|                 | <b>General Fund:</b>   |             |
| B-1             | Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Actual - General Fund Consolidated  | 84          |
| B-2             | Combining Schedule of Revenues, Expenditures, and<br>Changes in Fund Balances - All Departments  | 85          |
| B-3             | Schedule of Revenues, Expenditures and Changes in<br>Fund Balance - Budget and Actual - General Department   | 86-91       |
| B-4             | Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual - Public Health Department  | 92-95       |
| B-5             | Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual - Social Services Department  | 96-97       |

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

### TABLE OF CONTENTS

| <u>Schedule</u> |  | <u>Page</u> |
|-----------------|--|-------------|
| B-6             | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Management Services Department | 98          |
| B-7             | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Reassessment Fund                        | 99          |
|                 | <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 | 100         |
| B-9             | Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Klausner Lumber Two Project - Major      | 101         |
|                 | <b>Nonmajor Governmental Funds:</b>  |             |
| C-1             | Combining Balance Sheet - Nonmajor Governmental Funds  | 102         |
| C-2             | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds                      | 103         |
|                 | <b>Special Revenue Funds:</b>  |             |
| D-1             | Combining Balance Sheet - Nonmajor Special Revenue Funds   | 104-105     |
| D-2             | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds                   | 106-107     |
| D-3             | Emergency Telephone System Fund -<br>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual       | 108         |
| D-4             | Our Community Hospital District Fund -<br>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  | 109         |
| D-5             | Weldon School District Fund -<br>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual           | 110         |
| D-6             | Fire District Fund -<br>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, 2017

### TABLE OF CONTENTS

| <u>Schedule</u> |  | <u>Page</u> |
|-----------------|--|-------------|
|                 | <b>Special Revenue Funds (continued):</b>  |             |
| D-7             | Roanoke Rapids School Graded District Fund -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual | 112         |
| D-8             | Halifax County School District Fund -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual        | 113         |
|                 | <b>Capital Project Funds:</b>  |             |
| E-1             | Combining Balance Sheet - Nonmajor Capital Projects Funds  | 114         |
| E-2             | Combining Statement of Revenues, Expenditures, and Changes<br>in Fund Balances - Nonmajor Capital Projects Funds                       | 115         |
| E-3             | RPO Peanut Belt -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual                            | 116         |
| E-4             | Piezotronics Project -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual                       | 117         |
| E-5             | QCSB Roanoke Rapids -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual                        | 118         |
| E-6             | Project Freebird -<br>Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual                           | 119         |
|                 | <b>Enterprise Funds:</b>   |             |
| F-1             | Solid Waste Fund -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)  | 120-121     |
| F-2             | Water Fund -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)  | 122-123     |
| F-3             | Meadows Waste Water -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)                                       | 124         |

# HALIFAX COUNTY, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

### TABLE OF CONTENTS

| <u>Schedule</u> |  | <u>Page</u> |
|-----------------|--|-------------|
|                 | <b>Enterprise Funds (continued):</b>   |             |
| F-4             | Phase XI and XI-A Water Capital Project -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP) | 125         |
| F-5             | Weldon Sanitation Sewer Project<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)           | 126         |
| F-6             | Infrastructure Aeration Water Project -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)   | 127         |
| F-7             | Transfer Station Project -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)                | 128         |
| F-8             | C&D Landfill Project -<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)                    | 129         |
| F-9             | White Goods Handling Facility Project<br>Schedule of Revenues and Expenditures -<br>Budget and Actual (Non-GAAP)     | 130         |
|                 | <b>Internal Service Funds:</b>   |             |
| G-1             | Combining Statement of Net Position - Internal Service Funds   | 131         |
| G-2             | Combining Statement of Revenues, Expenses, and<br>Changes in Net Position - Internal Service Funds                   | 132         |
| G-3             | Combining Statement of Cash Flows - Internal Service Funds   | 133         |
| G-4             | Health Insurance Fund -<br>Schedule of Revenues and Expenditures - Financial Plan<br>and Actual (Non-GAAP)           | 134         |
| G-5             | Unemployment Insurance Fund -<br>Schedule of Revenues and Expenditures - Financial Plan<br>and Actual (Non-GAAP)     | 135         |
|                 | <b>Agency Funds:</b>   |             |
| H-1             | Combining Schedule of Changes in Assets and Liabilities  | 136         |

**HALIFAX COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

| <u>Schedule</u> |  | <u>Page</u> |
|-----------------|--|-------------|
|                 | <b>Additional Financial Data:</b>                            |             |
| I-1             | Schedule of Ad Valorem Taxes Receivable - General Fund       | 137         |
| I-2             | Analysis of Current Tax Levy                                 | 138         |
| I-3             | Analysis of Current Tax Levy - Secondary Market Disclosure   | 139         |
|                 | <b>Statistical Section:</b>                                  |             |
| 1               | Net Position By Component                                    | 140         |
| 2               | Change in Net Position                                       | 141-142     |
| 3               | Fund Balances - Governmental Funds                           | 143         |
| 4               | Changes in Fund Balance - General Fund                       | 144         |
| 5               | Assessed Value and Actual Value of Taxable Property          | 145         |
| 6               | Direct and Overlapping Property Tax Rates                    | 146         |
| 7               | Principal Property Taxpayers                                 | 147         |
| 8               | Property Tax Levies and Collections                          | 148         |
| 9               | Ratios of General Bonded Debt Outstanding                    | 149         |
| 10              | Direct and Overlapping Governmental Activities Debt          | 150         |
| 11              | Ratios of Outstanding Debt by Type                           | 151         |
| 12              | Legal Debt Margin Information                                | 152         |
| 13              | Demographic and Economic Statistics                          | 153         |
| 14              | Principal Employers  | 154         |
| 15              | Full-Time Equivalent County Government Employees by Function | 155         |
| 16              | Operating Indicators by Function                             | 156         |
| 17              | Capital Asset Statistics by Function                         | 157         |

**HALIFAX COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

|  | <u>Page</u> |
|--|-------------|
| <b>Compliance Section:</b>   |             |
| Report On Internal Control Over Financial Reporting And<br>On Compliance And Other Matters Based On An Audit<br>Of Financial Statements Performed In Accordance With<br><i>Government Auditing Standards</i> | 158-159     |
| Report On Compliance For Each Major Federal Program;<br>Report On Internal Control Over Compliance; In Accordance<br>With The Uniform Guidance, And The State Single<br>Audit Implementation Act             | 160-161     |
| Report On Compliance For Each Major State Program;<br>Report On Internal Control Over Compliance; In Accordance<br>With The Uniform Guidance, And The State Single<br>Audit Implementation Act               | 162-163     |
| Schedule of Findings, Responses, and Questioned Costs  | 164-168     |
| Corrective Action Plan   | 169         |
| Schedule of Prior Year Audit Findings  | 170         |
| Schedule of Expenditures of Federal and State Awards   | 171-176     |



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 11, 2017

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, 2017. 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, U. S. Office of Management and Budget Uniform Guidance, 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 its component units. Component units are legally separate entities for which the primary government is financially accountable.

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

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

The Halifax County Tourism Development Authority is required by state law to spend the "net proceeds" of occupancy tax funds remitted to it to promote travel and tourism in Halifax County and to finance tourist related capital projects in Halifax County. The Halifax County Tourism Development Authority receives 97% of the occupancy tax collected in Halifax

*Where the Spirit of Independence Was Born*

County and the Halifax County Board of Commissioners appoints its entire board. The Tourism Development 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 51,766. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,171.

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 economy 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 2016 – 2017 occupancy tax collections were \$17.3 million; an increase of 4.52% from 2015 – 2016.

Visitor spending in Halifax County increased by 2.3% over the previous year to \$91.78 million. Retail sales exceeded \$492 million in 2016, increasing by 7.5% over the previous year.

### ***Recent Initiatives***

Halifax County is the hub for commercial and business activity in northeastern North Carolina. Commercial and industrial sites, industrial-quality utilities, and abundant water and sewer capacities are available in Halifax County to meet the demands of business and industry. Continued investments in infrastructure and site development by the Halifax County Board of Commissioners are now supporting new commercial and industrial opportunities, higher wage jobs, and diversification of the local employment base. Over the past year, Halifax County has seen a marked improvement in the economy and increased economic growth.

Carolina Chips, Inc. is completing a \$48 million chip mill facility which will create 16 new jobs at the KapStone Paper Mill site. Both Enfield Timber LLC and Meherrin River Forest Products utilized building reuse grants to renovate equipment while adding 16 and 20 new jobs, respectively. Culpepper Wood Preservers purchased the former Georgia Pacific facility in Roanoke Rapids for wood treating and will create 20 new jobs.

Construction of the Center for Energy Education (C4EE) at the former Halifax County Airport site is complete with a dedication planned for October 2017. The project will offer a walking trail for the citizens and visitors of Halifax County to encourage a healthy lifestyle as well as focusing on a renewable energy source. Given North Carolina's ranking as #2 in the US for installed solar capacity, C4EE will be a hub for renewable energy research and education in North Carolina.

Halifax Corporate Park's first tenant, Patton Mechanical, an industrial/commercial mechanical contractor, is constructing a new facility with plans to occupy the building by year end. The Affinity Living Group recently broke ground on a \$6 million Assisted Living Community in Scotland Neck. Local business owner, Buddy Isles, entered into an agreement with Halifax County to purchase the Littleton Industrial Building to expand business operations with an anticipated closing date of September 30, 2017.

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.

New retail/commercial locations include Ollies Bargain Outlet and Harbor Freight. Retail and commercial development is also focused along the Roanoke Avenue Historic District in conjunction with the Roanoke Rapids Main Street Program and in the Towns of Littleton, Scotland Neck, Enfield, Weldon, and Hobgood. Revitalization efforts are also underway in the historic Town of Halifax, including redevelopment of the old Halifax Hotel and the Joseph

## Montfort Amphitheater.

Infrastructure improvements are underway to enhance commercial development. Improvements include the four-laning of US Highway 125 from Old Farm Road in Roanoke Rapids to Exit 171 at Interstate 95 and the extension of Premier Boulevard to NC Highway 125. On the horizon is the Atlantic Coast Pipeline, a new interstate natural gas pipeline, which will help accelerate economic development, enhance job creation opportunities, increase revenues, and stimulate corporate investment. The project will generate an estimated \$760,000 in new annual property taxes for the proposed 24 miles of pipeline in Halifax County.

CSX, NCDOT, the Town of Weldon, and Halifax County are working collaboratively to support Amtrak passenger rail service at the former Depot in Weldon. The project is being developed in conjunction with freight/logistics improvements planned to support increased traffic that will be generated by the planned CSX Intermodal facility near Rocky Mount.

The Phase XI water project and associated change orders designed to add service locations and improve water quality was completed in May 2017. 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.

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. The aeration systems are intended to reduce Trihalomethane levels in our water system. The construction contract has been awarded and project completion is scheduled for December 2017.

Water and sewer service to the Klausner facility, including a 1-million-gallon ground storage tank to serve Klausner and future industries locating in the area, was completed using Economic Development funding programs. A railroad spur was built to facilitate lumber shipments and entice future development in the area.

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. Plans are still being developed to fully encompass each partners' needs.

The E911 PSAP Back-up Center, located in Roanoke Rapids, will be completed by September 2017. The structure was donated by Halifax Regional Medical Center. The building was completed gutted and rebuilt using energy efficiency materials. The renovated facility will be used as the County's training center as well.

The County secured a long-term lease with the State of North Carolina to renovate, promote and operate the Joseph Montfort Amphitheater, near the state Historic Halifax site. A committee has been named and was awarded a grant in the amount of \$150,000 to pay for the needed renovations.

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. VOIP, Voice Over Internet Provider, telephone service was implemented for both the Health and Social Services departments. Phase 2 of the implementation will cover the Historic Courthouse, Public Utilities and Central Planning buildings in Fiscal Year 18. Phase 3 will complete the transition by connecting the Court Services Building, Sheriff's Office and Jail.

Roanoke Rapids Graded School District's Manning Elementary replacement project is approximately 75% complete. Students will transition from the old building into the new facility in January, 2018. The old building will be demolished and new playgrounds built by June 2018.

The County provided the three public school systems with \$5,497,333 in current expense and \$4,649,169 in capital outlay funds. Halifax Community College received \$1,052,851 in operating funds and \$273,127 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***

Public Utilities – Water Division is planning to add three additional tank mixers, two chlorine remote analyzers, and one chlorine booster facility to improve water quality and address disinfectant byproduct issues. There is approximately \$140,000 of remaining CDBG-Infrastructure Grant funds available for this project.

The Solid Waste Division plans an intermediate cover project which will be completed in 2018 on the ash monofill site. This project will keep the site in compliance with the Permit to Operate by stabilizing side slopes and reducing erosion issues. The project cost is \$368,000 which will be funded by the Solid Waste fund balance.

***Site Selection Magazine*** recently named the Roanoke Rapids Micropolitan Area as one of the **Top 100 Micropolitans** in the US. The Roanoke Rapids Micropolitan Area, which encompasses all of Halifax and Northampton Counties, received an overall **ranking of #32** based on the number of new and expanding economic development projects.

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, 2017, 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 a transfer station in addition to seven manned convenience sites are located strategically throughout the County for use by residents to dispose of trash, other than household garbage, (i.e. brush, furniture, appliances, etc.), free of charge. Operation and maintenance costs are paid through an annual collection/disposal fee charged to each rural household. Tipping fees are charged to each commercial client at the landfill and 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***

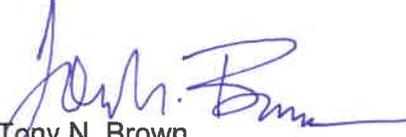
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the seventeenth consecutive year 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***

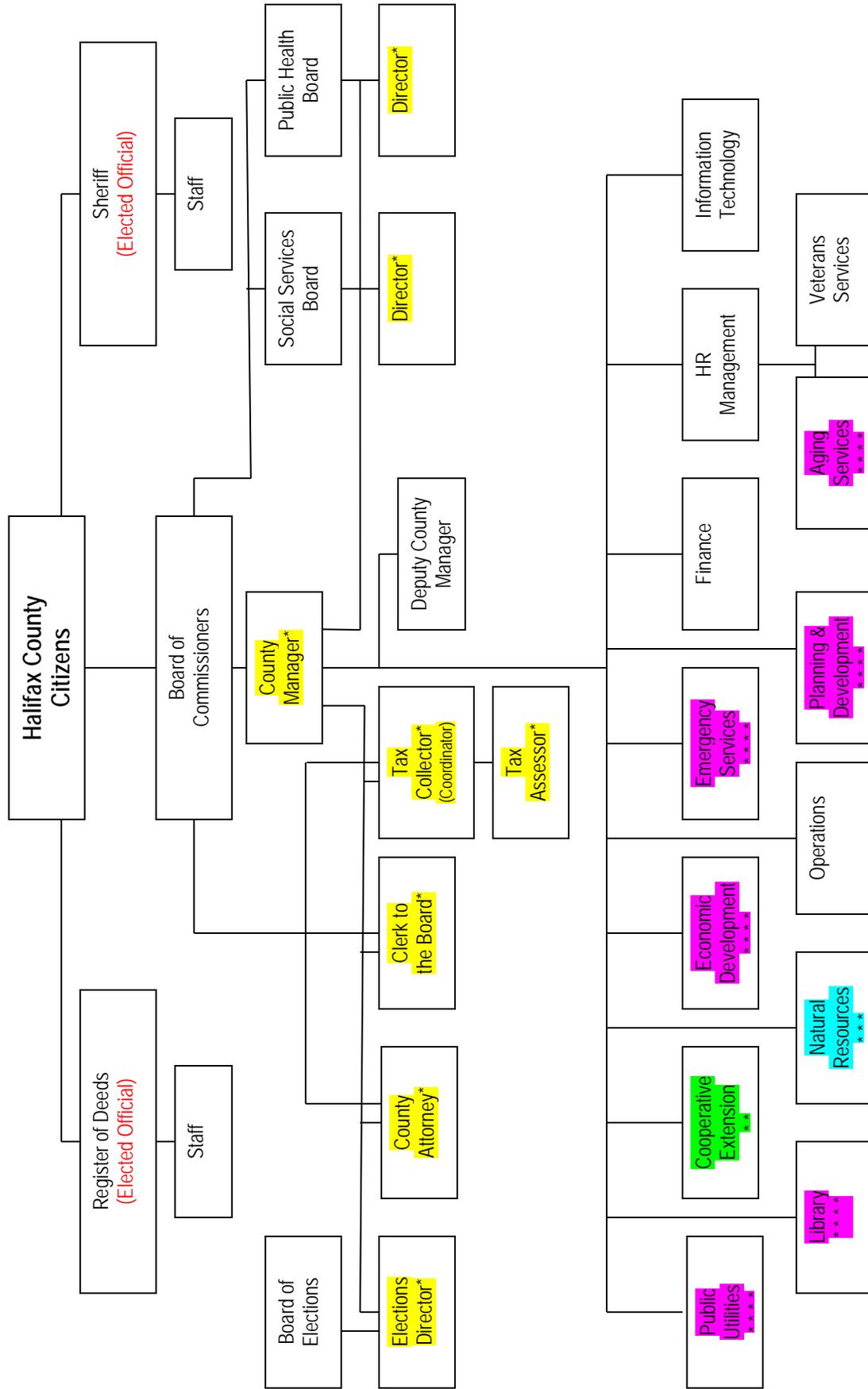
The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Office Staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit also should be 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, 2016**

Executive Director/CEO

***Halifax County, North Carolina***

**LIST OF PRINCIPAL OFFICIALS**

June 30, 2017

**Board of Commissioners**

Vernon J. Bryant, Chairman  
J. Rives Manning, Jr., Vice-Chairman  
Linda A. Brewer  
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  
Christie Avens, 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, 2017, 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 74 percent, 72 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. 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

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, 2017, 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 Other Post-Employment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, 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 11, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Halifax County's 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 11, 2017



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, 2017. 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 \$40,954,194. The County's net position of governmental activities exhibited a decrease of \$7,013,089 with the business-type activities showing an increase of \$626,593 resulting in the government's total net position decreasing by \$6,386,496.

As of the close of the current fiscal year, Halifax County's governmental funds reported combined ending fund balances of \$36,649,562 after a net decrease of \$8,351,677. Approximately 82.5% of this total amount, or \$30,229,686, is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$4,707,922, or 7.8%, of net General Fund expenditures and transfers at the close of the current fiscal year.

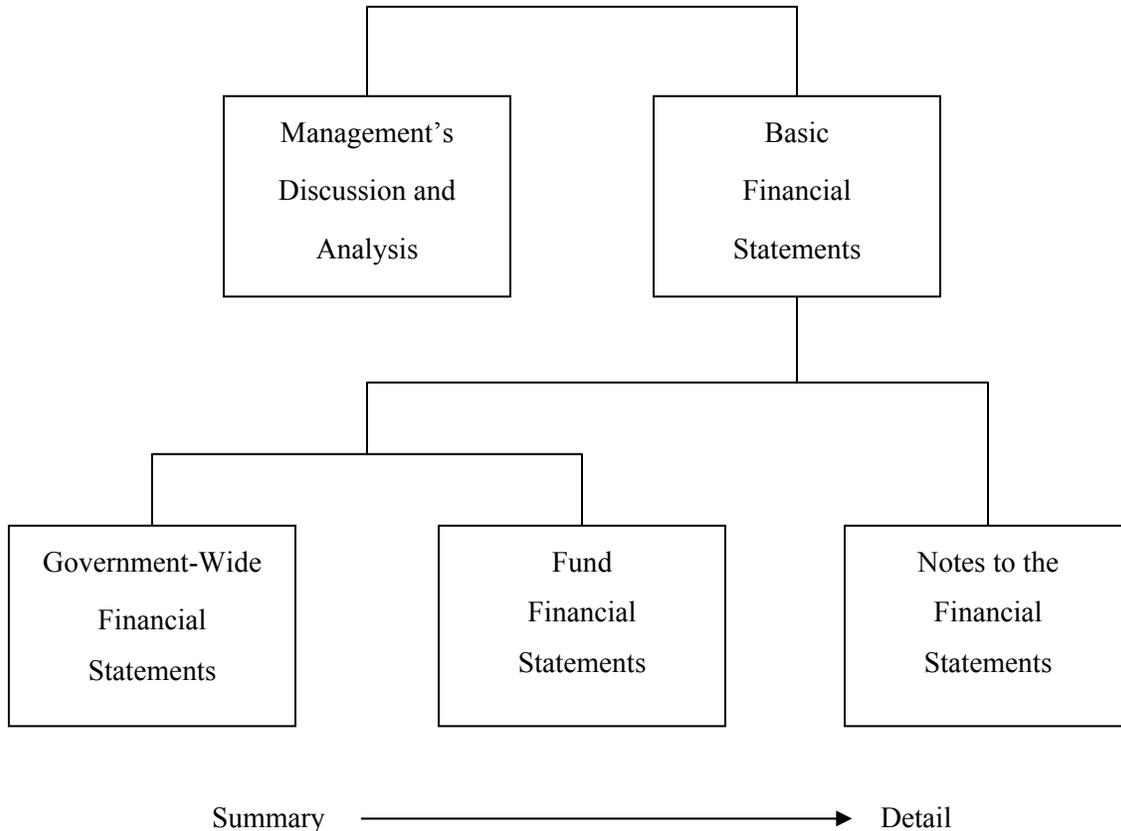
The County holds an A+ bond rating from Standard and Poor's effective as of June 30, 2017.

### **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 in North Carolina, 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, Manning Elementary School Design, and Klausner Lumber Two Project.

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 three trust and agency funds: Social Services Trust Fund – monies deposited with DSS for the benefits of certain individuals; Tax Collection Agency 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 77 through 83 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Halifax County's Net Position

|                                       | Governmental Activities |                      | Business-Type Activities |                      | Total                |                      |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|                                       | 2017                    | 2016                 | 2017                     | 2016                 | 2017                 | 2016                 |
| <b>Assets:</b>                        |                         |                      |                          |                      |                      |                      |
| Current and other assets              | \$ 33,652,816           | \$ 34,810,446        | \$ 10,217,304            | \$ 9,114,084         | \$ 43,870,120        | \$ 43,924,530        |
| Restricted assets                     | 9,131,034               | 19,834,067           | 5,399,379                | 5,486,543            | 14,530,413           | 25,320,610           |
| Capital assets                        | 21,738,217              | 21,930,838           | 35,119,705               | 36,598,871           | 56,857,922           | 58,529,709           |
| Total assets                          | <u>64,522,067</u>       | <u>76,575,351</u>    | <u>50,736,388</u>        | <u>51,199,498</u>    | <u>115,258,455</u>   | <u>127,774,849</u>   |
| <b>Deferred Outflows of Resources</b> |                         |                      |                          |                      |                      |                      |
|                                       | <u>6,241,715</u>        | <u>1,430,278</u>     | <u>254,732</u>           | <u>59,220</u>        | <u>6,496,447</u>     | <u>1,489,498</u>     |
| <b>Liabilities:</b>                   |                         |                      |                          |                      |                      |                      |
| Current liabilities                   | 15,661,106              | 11,558,747           | 2,994,999                | 3,416,824            | 18,656,105           | 14,975,571           |
| Non-current liabilities               | 31,603,316              | 34,777,576           | 30,127,483               | 30,578,299           | 61,730,799           | 65,355,875           |
| Total liabilities                     | <u>47,264,422</u>       | <u>46,336,323</u>    | <u>33,122,482</u>        | <u>33,995,123</u>    | <u>80,386,904</u>    | <u>80,331,446</u>    |
| <b>Deferred Inflows of Resources</b>  |                         |                      |                          |                      |                      |                      |
|                                       | <u>403,302</u>          | <u>889,773</u>       | <u>10,502</u>            | <u>32,052</u>        | <u>413,804</u>       | <u>921,825</u>       |
| <b>Net Position:</b>                  |                         |                      |                          |                      |                      |                      |
| Net investment in capital assets      | 21,388,949              | 17,831,005           | 11,824,479               | 12,055,155           | 33,213,428           | 29,886,160           |
| Restricted                            | 22,911,749              | 21,354,872           | -                        | -                    | 22,911,749           | 21,354,872           |
| Unrestricted                          | (21,204,640)            | (8,406,344)          | 6,033,657                | 5,176,388            | (15,170,983)         | (3,229,956)          |
| Total net position                    | <u>\$ 23,096,058</u>    | <u>\$ 30,779,533</u> | <u>\$ 17,858,136</u>     | <u>\$ 17,231,543</u> | <u>\$ 40,954,194</u> | <u>\$ 48,011,076</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 \$40,954,194 at fiscal year-end. Net position decreased in the current fiscal year due to the increases in expenditures in other governmental funds for capital projects such as construction of Manning Elementary school. \$33,213,428 (81.1%) reflects the County's net 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.

Fifty-six 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.

### Halifax County's Change in Net Position

|                                    | Governmental Activities |               | Business-Type Activities |               | Total         |               |
|------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                    | 2017                    | 2016          | 2017                     | 2016          | 2017          | 2016          |
| <b>Revenues:</b>                   |                         |               |                          |               |               |               |
| Program revenues:                  |                         |               |                          |               |               |               |
| Charges for services               | \$ 15,241,151           | \$ 6,470,133  | \$ 10,165,152            | \$ 10,648,328 | \$ 25,406,303 | \$ 17,118,461 |
| Operating grants and contributions | 17,721,133              | 17,909,200    | -                        | -             | 17,721,133    | 17,909,200    |
| Capital grants and contributions   | 4,101,133               | 1,843,555     | 128,416                  | 404,482       | 4,229,549     | 2,248,037     |
| General revenue:                   |                         |               |                          |               |               |               |
| Property taxes                     | 31,809,653              | 29,927,726    | -                        | -             | 31,809,653    | 29,927,726    |
| Local option sales tax             | -                       | 7,961,352     | -                        | -             | -             | 7,961,352     |
| Other taxes                        | -                       | 93,902        | -                        | 70,542        | -             | 164,444       |
| Interest                           | 82,528                  | 56,252        | 16,275                   | 11,911        | 98,803        | 68,163        |
| Total revenues                     | 68,955,598              | 64,262,120    | 10,309,843               | 11,135,263    | 79,265,441    | 75,397,383    |
| <b>Expenses:</b>                   |                         |               |                          |               |               |               |
| General government                 | 11,824,803              | 11,900,686    | -                        | -             | 11,824,803    | 11,900,686    |
| Public safety                      | 15,223,699              | 14,790,869    | -                        | -             | 15,223,699    | 14,790,869    |
| Economic and physical development  | 5,070,877               | 2,479,719     | -                        | -             | 5,070,877     | 2,479,719     |
| Human services                     | 20,258,952              | 19,782,077    | -                        | -             | 20,258,952    | 19,782,077    |
| Cultural and Recreational          | 506,484                 | 579,074       | -                        | -             | 506,484       | 579,074       |
| Education                          | 22,071,399              | 13,339,997    | -                        | -             | 22,071,399    | 13,339,997    |
| Interest and fees                  | 1,012,473               | 1,119,155     | -                        | -             | 1,012,473     | 1,119,155     |
| Water and sewer                    | -                       | -             | 5,982,662                | 6,213,780     | 5,982,662     | 6,213,780     |
| Landfill/solid waste               | -                       | -             | 3,700,588                | 4,568,587     | 3,700,588     | 4,568,587     |
| Total expenses                     | 75,968,687              | 63,991,577    | 9,683,250                | 10,782,367    | 85,651,937    | 74,773,944    |
| Revenues over (under) expenses     | (7,013,089)             | 270,544       | 626,593                  | 352,896       | (6,386,496)   | 623,440       |
| Transfers                          | -                       | 459           | -                        | (459)         | -             | -             |
| Change in net position             | (7,013,089)             | 271,003       | 626,593                  | 352,437       | (6,386,496)   | 623,440       |
| <b>Net Position:</b>               |                         |               |                          |               |               |               |
| Beginning of year - July 1         | 30,779,533              | 30,477,497    | 17,231,543               | 16,879,106    | 48,011,076    | 47,356,603    |
| Restatement                        | (670,386)               | 31,033        | -                        | -             | (670,386)     | 31,033        |
| Beginning of year - restated       | 30,109,147              | 30,508,530    | 17,231,543               | 16,879,106    | 47,340,690    | 47,387,636    |
| End of year - June 30              | \$ 23,096,058           | \$ 30,779,533 | \$ 17,858,136            | \$ 17,231,543 | \$ 40,954,194 | \$ 48,011,076 |

## **Governmental Activities**

Of total net position, governmental activities accounted for \$23,096,058, with operating grants and contributions funding \$17,721,133 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2017, interest revenues improved along with the economy and the County continues the utilization of interest earnings credit as an off-set against bank charges/administrative fees. Revenues remained fairly constant with fees from construction, which had taken a downturn in the previous fiscal years. The Commissioners continue to be aggressive in pursuing businesses through economic development incentives of building reuse grants and other infrastructure needs.

## **Business-Type Activities**

Business-type activities increased the County's net position by \$626,593. Solid waste saw an improvement in the net position as compared to 2016 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 \$16,887,671, while total fund balance reached \$27,214,345. The County currently has an available fund balance of 28.0% of General Fund expenditures and transfers out, while total fund balance represents 45.1% of that same amount.

At June 30, 2017, the governmental funds of Halifax County reported a combined fund balance of \$36,649,562, a 18.6% decrease from last year. This can be primarily attributed to the new Manning Elementary School project being 50% completed.

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, 2017, the net change in fund balances per the governmental funds showed a decrease of \$8,351,677, while the governmental activities column of the government-wide financial statements indicated a decrease of \$7,013,089 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. Prepaid items of \$34,500 are considered non-spendable. Approximately \$30,195,186 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 \$484,996 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital project funds reported expenditures of \$13,074,195 for the current fiscal year. Projects, which become assets of the County, excluding school expenses, 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 \$4,580,460 and the Water Fund totaled \$13,277,676 for a cumulative total of \$17,858,136. 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, 2017, total net position amounted to \$926,636, which is an increase of \$30,632 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 increase in the General Fund's fund balance by \$1,354,251 a portion of this increase can be tied to property tax collections as well as the settlement of 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, 2017, amounts to \$56,857,922 (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 2.9%.

### Halifax County's Capital Assets

|                                | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total</u>         |                      |
|--------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|
|                                | <u>2017</u>                    | <u>2016</u>          | <u>2017</u>                     | <u>2016</u>          | <u>2017</u>          | <u>2016</u>          |
| Land and improvements          | \$ 3,884,023                   | \$ 3,700,690         | \$ 463,850                      | \$ 463,850           | \$ 4,347,873         | \$ 4,164,540         |
| Buildings                      | 33,842,439                     | 31,340,204           | 57,136,762                      | 51,587,886           | 90,979,201           | 82,928,090           |
| Equipment                      | 5,789,205                      | 5,045,156            | 3,636,621                       | 3,636,621            | 9,425,826            | 8,681,777            |
| Vehicles                       | 4,513,332                      | 4,275,789            | 1,044,643                       | 1,018,481            | 5,557,975            | 5,294,270            |
| Construction in progress       | 53,862                         | 2,496,985            | 204,187                         | 5,647,049            | 258,049              | 8,144,034            |
| Subtotal                       | 48,082,861                     | 46,858,824           | 62,486,063                      | 62,353,887           | 110,568,924          | 109,212,711          |
| Less: Accumulated depreciation | (26,344,644)                   | (24,927,986)         | (27,366,358)                    | (25,755,016)         | (53,711,002)         | (50,683,002)         |
| Total                          | <u>\$ 21,738,217</u>           | <u>\$ 21,930,838</u> | <u>\$ 35,119,705</u>            | <u>\$ 36,598,871</u> | <u>\$ 56,857,922</u> | <u>\$ 58,529,709</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 34, 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 \$18,033,808, 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 \$228,184,000. 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.

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

|                          | <u>Business-Type Activities</u> |                      |
|--------------------------|---------------------------------|----------------------|
|                          | <u>2017</u>                     | <u>2016</u>          |
| General obligation bonds | \$ 18,033,808                   | \$ 18,909,122        |
| Revenue bonds            | 2,549,000                       | 2,595,000            |
| Total                    | <u>\$ 20,582,808</u>            | <u>\$ 21,504,122</u> |

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$397.61 as of June 30, 2017, while the County's gross debt per capita is \$1,072.83.

Additional information of the County's long-term debt can be found beginning on page 66 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 20,366 and has an unemployment rate of 7% as of June 30, 2017. This compares unfavorably to the State's unemployment rate of 4.7% and the United States' rate of 4.4% 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 51,766 has continued to decrease from 2016 and 2017.

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

## **BUDGET HIGHLIGHTS FOR FISCAL YEAR 2017-2018**

### **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 \$3.5 billion dollars. The estimated property collection rate for Fiscal Year 2017 is 97.75%.

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 2018.

Economic development will continue to be emphasized during the 2017-2018 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 2018 budgeted expenditures for the Solid Waste Fund are \$3,988,307 which is a 2.7% decrease as compared to fiscal year 2017. Public Utilities – Water Division's FY 18 budgeted expenditures are \$6,034,180 which is an increase of 3.0% 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, 2017

|  | Primary Government      |                          |                      | Component Units                                       |                                |
|--|-------------------------|--------------------------|----------------------|---|--------------------------------|
|  | Governmental Activities | Business-Type Activities | Total                | Halifax County<br>Tourism<br>Development<br>Authority | Halifax<br>County<br>ABC Board |
|  |                         |                          |                      |   |                                |
| <b>Assets:</b>                                       |                         |                          |                      |   |                                |
| Cash and investments                                 | \$ 23,748,116           | \$ 8,630,462             | \$ 32,378,578        | \$ 767,755  | \$ 950,500                     |
| Ad valorem taxes receivable, net                     | 1,717,312               | -                        | 1,717,312            | -   | -                              |
| Accounts receivable, net                             | 7,812,459               | 1,496,542                | 9,309,001            | 1,429   | -                              |
| Due from other governments                           | 261,504                 | 36,726                   | 298,230              | -   | -                              |
| Due from primary government                          | -                       | -                        | -                    | 100,444   | -                              |
| Inventories  | -                       | 53,574                   | 53,574               | -   | 414,298                        |
| Prepaid items  | 34,500                  | -                        | 34,500               | 2,463   | 79                             |
| Restricted assets:                                   |                         |                          |                      |   |                                |
| Cash and investments                                 | 9,131,034               | 292,659                  | 9,423,693            | -   | -                              |
| Long-term receivable                                 | -                       | 5,106,720                | 5,106,720            | -   | -                              |
| Net pension asset                                    | 78,925                  | -                        | 78,925               | -   | -                              |
| Capital assets:                                      |                         |                          |                      |   |                                |
| Non-depreciable assets                               | 3,937,885               | 640,914                  | 4,578,799            | -   | 286,200                        |
| Other capital assets, net of depreciation            | 17,800,332              | 34,478,791               | 52,279,123           | -   | 769,653                        |
| Total assets   | <u>64,522,067</u>       | <u>50,736,388</u>        | <u>115,258,455</u>   | <u>872,091</u>  | <u>2,420,730</u>               |
| <b>Deferred Outflows of Resources:</b>               |                         |                          |                      |   |                                |
| Contributions to pension plan in current fiscal year | 1,623,225               | 63,300                   | 1,686,525            | 12,123  | 62,406                         |
| Pension deferral                                     | 4,618,490               | 191,432                  | 4,809,922            | 37,892  | -                              |
| Total deferred outflows of resources                 | <u>6,241,715</u>        | <u>254,732</u>           | <u>6,496,447</u>     | <u>50,015</u>   | <u>62,406</u>                  |
| <b>Liabilities:</b>                                  |                         |                          |                      |   |                                |
| Accounts payable and accrued liabilities             | 3,193,236               | 605,236                  | 3,798,472            | 18,623  | 286,964                        |
| Liabilities payable from restricted assets           | -                       | 262,740                  | 262,740              | -   | -                              |
| Accrued interest payable                             | 354,716                 | 475,018                  | 829,734              | -   | -                              |
| Due to component unit                                | 100,444                 | -                        | 100,444              | -   | -                              |
| Non-current liabilities:                             |                         |                          |                      |   |                                |
| Total pension liability - LEOSSA                     | 1,586,970               | -                        | 1,586,970            | -   | -                              |
| Net pension liability                                | 7,092,944               | 295,542                  | 7,388,486            | 55,393  | 52,846                         |
| Due within one year                                  | 3,332,796               | 1,356,463                | 4,689,259            | 4,206   | -                              |
| Due in more than one year                            | 31,603,316              | 30,127,483               | 61,730,799           | 23,729  | 78,318                         |
| Total liabilities                                    | <u>47,264,422</u>       | <u>33,122,482</u>        | <u>80,386,904</u>    | <u>101,951</u>  | <u>418,128</u>                 |
| <b>Deferred Inflows of Resources:</b>                |                         |                          |                      |   |                                |
| Prepaid taxes  | 117,735                 | -                        | 117,735              | -   | -                              |
| Pension related deferrals                            | 285,567                 | 10,502                   | 296,069              | 8,667   | 1,852                          |
| Total deferred inflows of resources                  | <u>403,302</u>          | <u>10,502</u>            | <u>413,804</u>       | <u>8,667</u>  | <u>1,852</u>                   |
| <b>Net Position:</b>                                 |                         |                          |                      |   |                                |
| Net investment in capital assets                     | 21,388,949              | 11,824,479               | 33,213,428           | -   | 1,146,110                      |
| Restricted for:                                      |                         |                          |                      |   |                                |
| Stabilization by State statute                       | 12,766,392              | -                        | 12,766,392           | 101,873   | -                              |
| Register of Deeds' pension plan                      | 104,489                 | -                        | 104,489              | -   | -                              |
| Public safety  | 432,927                 | -                        | 432,927              | -   | -                              |
| Human services                                       | 8,500,507               | -                        | 8,500,507            | -   | -                              |
| Education  | 1,107,434               | -                        | 1,107,434            | -   | -                              |
| Tourism  | -                       | -                        | -                    | 709,615   | -                              |
| Other  | -                       | -                        | -                    | -   | 155,051                        |
| Unrestricted   | <u>(21,204,640)</u>     | <u>6,033,657</u>         | <u>(15,170,983)</u>  | <u>-</u>  | <u>761,995</u>                 |
| Total net position                                   | <u>\$ 23,096,058</u>    | <u>\$ 17,858,136</u>     | <u>\$ 40,954,194</u> | <u>\$ 811,488</u>                                     | <u>\$ 2,063,156</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, 2017

|                                   | <u>Program Revenues</u> |                             |   |   |
|-----------------------------------|-------------------------|-----------------------------|---|---|
|                                   | <u>Expenses</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                | \$ 11,824,803           | \$ 11,687,133               | \$ 1,363,058                              | \$ -                                    |
| Public safety                     | 15,223,699              | 3,533,202                   | 1,210,537                                 | -                                       |
| Economic and physical development | 5,070,877               | -                           | -   | 3,037,947                               |
| Human services                    | 20,258,952              | -                           | 15,114,456                                | -                                       |
| Cultural and recreation           | 506,484                 | 20,816                      | 33,082                                    | -                                       |
| Education                         | 22,071,399              | -                           | -   | 1,063,186                               |
| Interest and fees                 | 1,012,473               | -                           | -   | -                                       |
| Total governmental activities     | <u>75,968,687</u>       | <u>15,241,151</u>           | <u>17,721,133</u>                         | <u>4,101,133</u>                        |
| <b>Business-Type Activities:</b>  |                         |                             |   |   |
| Water and sewer                   | 5,982,662               | 6,055,217                   | -   | 128,416                                 |
| Solid waste                       | 3,700,588               | 4,109,935                   | -   | -                                       |
| Total business-type activities    | <u>9,683,250</u>        | <u>10,165,152</u>           | <u>-</u>                                  | <u>128,416</u>                          |
| Total primary government          | <u>\$ 85,651,937</u>    | <u>\$ 25,406,303</u>        | <u>\$ 17,721,133</u>                      | <u>\$ 4,229,549</u>                     |
| <b>Component Units:</b>           |                         |                             |   |   |
| Tourism Development Authority     | \$ 840,507              | \$ 23,356                   | \$ -                                      | \$ -                                    |
| ABC Board                         | 5,232,528               | 5,222,156                   | -   | -                                       |
| Total component units             | <u>\$ 6,073,035</u>     | <u>\$ 5,245,512</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, 2017

|                                       | Net (Expense) Revenue and Changes in Net Position |                          |                      |  |                          |
|---------------------------------------|---|--------------------------|----------------------|--|--------------------------|
|                                       | Primary Government                                |                          |                      | Component Units                              |                          |
|                                       | Governmental Activities                           | Business-Type Activities | Total                | Halifax County Tourism Development Authority | Halifax County ABC Board |
| <b>Functions/Programs:</b>            |   |                          |                      |  |                          |
| <b>Primary Government:</b>            |   |                          |                      |  |                          |
| <b>Governmental Activities:</b>       |   |                          |                      |  |                          |
| General government                    | \$ 1,225,388                                      | \$ -                     | \$ 1,225,388         |  |                          |
| Public safety                         | (10,479,960)                                      | -                        | (10,479,960)         |  |                          |
| Economic and physical development     | (2,032,930)                                       | -                        | (2,032,930)          |  |                          |
| Human services                        | (5,144,496)                                       | -                        | (5,144,496)          |  |                          |
| Cultural and recreation               | (452,586)   | -                        | (452,586)            |  |                          |
| Education                             | (21,008,213)                                      | -                        | (21,008,213)         |  |                          |
| Interest and fees                     | (1,012,473)                                       | -                        | (1,012,473)          |  |                          |
| Total governmental activities         | <u>(38,905,270)</u>                               | <u>-</u>                 | <u>(38,905,270)</u>  |  |                          |
| <b>Business-Type Activities:</b>      |   |                          |                      |  |                          |
| Water and sewer                       | -   | 200,971                  | 200,971              |  |                          |
| Solid waste                           | -   | 409,347                  | 409,347              |  |                          |
| Total business-type activities        | <u>-</u>  | <u>610,318</u>           | <u>610,318</u>       |  |                          |
| Total primary government              | <u>(38,905,270)</u>                               | <u>610,318</u>           | <u>(38,294,952)</u>  |  |                          |
| <b>Component Units:</b>               |   |                          |                      |  |                          |
| Tourism Development Authority         |   |                          |                      | \$ (817,151)                                 | \$ -                     |
| ABC Board                             |   |                          |                      | -  | (10,372)                 |
| Total component units                 |   |                          |                      | <u>(817,151)</u>                             | <u>(10,372)</u>          |
| <b>General Revenues:</b>              |   |                          |                      |  |                          |
| Taxes:                                |   |                          |                      |  |                          |
| Ad valorem taxes                      | 31,809,653  | -                        | 31,809,653           | -  | -                        |
| Occupancy tax                         | -   | -                        | -                    | 1,038,990                                    | -                        |
| Interest earned on investments        | 82,528  | 16,275                   | 98,803               | 472  | 4,264                    |
| Total general revenues                | <u>31,892,181</u>                                 | <u>16,275</u>            | <u>31,908,456</u>    | <u>1,039,462</u>                             | <u>4,264</u>             |
| <b>Change in Net Position</b>         | <u>(7,013,089)</u>                                | <u>626,593</u>           | <u>(6,386,496)</u>   | <u>222,311</u>                               | <u>(6,108)</u>           |
| <b>Net Position:</b>                  |   |                          |                      |  |                          |
| Beginning of year - July 1            | 30,779,533  | 17,231,543               | 48,011,076           | 589,177                                      | 2,069,264                |
| Restatement                           | (670,386)   | -                        | (670,386)            | -  | -                        |
| Beginning of year - July 1 - restated | <u>30,109,147</u>                                 | <u>17,231,543</u>        | <u>47,340,690</u>    | <u>589,177</u>                               | <u>2,069,264</u>         |
| End of year - June 30                 | <u>\$ 23,096,058</u>                              | <u>\$ 17,858,136</u>     | <u>\$ 40,954,194</u> | <u>\$ 811,488</u>                            | <u>\$ 2,063,156</u>      |

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017

|   | Major                |                                  |                             | Nonmajor                 | Total                |
|---|----------------------|----------------------------------|-----------------------------|--------------------------|----------------------|
|   | General Fund         | Manning Elementary School Design | Klausner Lumber Two Project | Other Governmental Funds |                      |
| <b>Assets:</b>  |                      |                                  |                             |                          |                      |
| Cash and investments  | \$ 16,159,619        | \$ 2,340,835                     | \$ 2,838,491                | \$ 594,989               | \$ 21,933,934        |
| Taxes receivable, net   | 1,457,133            | -                                | -                           | 260,179                  | 1,717,312            |
| Accounts receivable, net  | 5,370,417            | 127,697                          | 2,111,697                   | 202,648                  | 7,812,459            |
| Due from other governments  | 229,328              | -                                | 6,573                       | 25,603                   | 261,504              |
| Due from other funds  | 4,692,429            | -                                | -                           | -                        | 4,692,429            |
| Prepaid items   | 34,500               | -                                | -                           | -                        | 34,500               |
| Restricted cash   | 1,743,108            | 7,387,926                        | -                           | -                        | 9,131,034            |
| Total assets  | <u>\$ 29,686,534</u> | <u>\$ 9,856,458</u>              | <u>\$ 4,956,761</u>         | <u>\$ 1,083,419</u>      | <u>\$ 45,583,172</u> |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b> |                      |                                  |                             |                          |                      |
| <b>Liabilities:</b>   |                      |                                  |                             |                          |                      |
| Accounts payable and accrued liabilities                              | \$ 897,321           | \$ 1,233,401                     | \$ -                        | \$ 275,412               | \$ 2,406,134         |
| Due to other funds  | -                    | -                                | 4,692,429                   | -                        | 4,692,429            |
| Total liabilities   | <u>897,321</u>       | <u>1,233,401</u>                 | <u>4,692,429</u>            | <u>275,412</u>           | <u>7,098,563</u>     |
| <b>Deferred Inflows of Resources:</b>                                 |                      |                                  |                             |                          |                      |
| Prepaid taxes   | 117,735              | -                                | -                           | -                        | 117,735              |
| Taxes receivable  | <u>1,457,133</u>     | -                                | -                           | <u>260,179</u>           | <u>1,717,312</u>     |
| Total deferred inflows of resources                                   | <u>1,574,868</u>     | -                                | -                           | <u>260,179</u>           | <u>1,835,047</u>     |
| <b>Fund Balances:</b>   |                      |                                  |                             |                          |                      |
| Non-spendable:  |                      |                                  |                             |                          |                      |
| Prepaid items   | 34,500               | -                                | -                           | -                        | 34,500               |
| Restricted:   |                      |                                  |                             |                          |                      |
| Stabilization by State statute  | 10,292,174           | 127,697                          | 2,118,270                   | 228,251                  | 12,766,392           |
| Public safety   | -                    | -                                | -                           | 432,927                  | 432,927              |
| Human services  | 8,500,507            | -                                | -                           | -                        | 8,500,507            |
| Education   | -                    | 8,495,360                        | -                           | -                        | 8,495,360            |
| Committed   | -                    | -                                | -                           | 27,396                   | 27,396               |
| Assigned  | 3,679,242            | -                                | -                           | -                        | 3,679,242            |
| Unassigned  | <u>4,707,922</u>     | -                                | <u>(1,853,938)</u>          | <u>(140,746)</u>         | <u>2,713,238</u>     |
| Total fund balances   | <u>27,214,345</u>    | <u>8,623,057</u>                 | <u>264,332</u>              | <u>547,828</u>           | <u>36,649,562</u>    |
| Total liabilities, deferred inflows of resources, and fund balances   | <u>\$ 29,686,534</u> | <u>\$ 9,856,458</u>              | <u>\$ 4,956,761</u>         | <u>\$ 1,083,419</u>      | <u>\$ 45,583,172</u> |

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

**HALIFAX COUNTY, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

|  | <b>Total</b>  |
|--|---------------|
| Amounts reported for governmental activities in the Statement of Net Position are different because  |               |
| Total fund balances  | \$ 36,649,562 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 21,738,217    |
| Net pension asset  | 78,925        |
| Net pension liability  | (7,092,944)   |
| Total pension liability  | (1,586,970)   |
| Contributions to pension plans in the current fiscal year are deferred resources on the Statement of Net Position.   | 1,623,225     |
| Deferred outflows from pension related deferrals   | 4,618,490     |
| 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.   | (35,290,828)  |
| 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. | 926,636       |
| Deferred inflows from pension related deferrals  | (285,567)     |
| 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  | 1,717,312     |
| Net position of governmental activities  | \$ 23,096,058 |

*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, 2017

|   | Major                |                                  |                             | Nonmajor                 | Total                |
|---|----------------------|----------------------------------|-----------------------------|--------------------------|----------------------|
|   | General Fund         | Manning Elementary School Design | Klausner Lumber Two Project | Other Governmental Funds |                      |
| <b>Revenues:</b>                        |                      |                                  |                             |                          |                      |
| Ad valorem taxes                        | \$ 27,496,943        | \$ -                             | \$ -                        | \$ 4,932,992             | \$ 32,429,935        |
| Other taxes and licenses                | 8,245,224            | -                                | -                           | 525,148                  | 8,770,372            |
| Unrestricted intergovernmental revenues | 347,331              | -                                | -                           | -                        | 347,331              |
| Restricted intergovernmental revenues   | 18,549,196           | -                                | 2,654,420                   | 404,870                  | 21,608,486           |
| Permits and fees                        | 1,359,789            | -                                | -                           | -                        | 1,359,789            |
| Sales and services                      | 4,364,500            | -                                | -                           | -                        | 4,364,500            |
| Interest earned on investments          | 69,607               | 1,552                            | -                           | 7,220                    | 78,379               |
| Miscellaneous                           | 488,289              | -                                | -                           | -                        | 488,289              |
| Total revenues                          | <u>60,920,879</u>    | <u>1,552</u>                     | <u>2,654,420</u>            | <u>5,870,230</u>         | <u>69,447,081</u>    |
| <b>Expenditures:</b>                    |                      |                                  |                             |                          |                      |
| Current:                                |                      |                                  |                             |                          |                      |
| General government                      | 7,496,153            | -                                | -                           | -                        | 7,496,153            |
| Public safety                           | 14,775,075           | -                                | -                           | 2,115,418                | 16,890,493           |
| Economic and physical development       | 1,636,541            | -                                | 2,406,258                   | 971,414                  | 5,014,213            |
| Human services                          | 21,739,036           | -                                | -                           | 475,344                  | 22,214,380           |
| Cultural and recreation                 | 604,985              | -                                | -                           | -                        | 604,985              |
| Education                               | 9,070,742            | 9,696,523                        | -                           | 3,402,240                | 22,169,505           |
| Debt service:                           |                      |                                  |                             |                          |                      |
| Principal repayments                    | 2,871,519            | -                                | -                           | -                        | 2,871,519            |
| Interest                                | 1,147,364            | -                                | -                           | -                        | 1,147,364            |
| Total expenditures                      | <u>59,341,415</u>    | <u>9,696,523</u>                 | <u>2,406,258</u>            | <u>6,964,416</u>         | <u>78,408,612</u>    |
| Revenues over (under) expenditures      | <u>1,579,464</u>     | <u>(9,694,971)</u>               | <u>248,162</u>              | <u>(1,094,186)</u>       | <u>(8,961,531)</u>   |
| <b>Other Financing Sources (Uses):</b>  |                      |                                  |                             |                          |                      |
| Transfers in                            | 313,386              | -                                | -                           | 1,002,853                | 1,316,239            |
| Transfers out                           | (1,002,853)          | -                                | -                           | (66,886)                 | (1,069,739)          |
| Refunding issued                        | 12,005,000           | -                                | -                           | -                        | 12,005,000           |
| Payment to escrow agent                 | (11,899,646)         | -                                | -                           | -                        | (11,899,646)         |
| Installment purchase obligations issued | 258,000              | -                                | -                           | -                        | 258,000              |
| Total other financing sources (uses)    | <u>(326,113)</u>     | <u>-</u>                         | <u>-</u>                    | <u>935,967</u>           | <u>609,854</u>       |
| Net change in fund balances             | 1,253,351            | (9,694,971)                      | 248,162                     | (158,219)                | (8,351,677)          |
| <b>Fund Balances:</b>                   |                      |                                  |                             |                          |                      |
| Beginning of year - July 1              | <u>25,960,994</u>    | <u>18,318,028</u>                | <u>16,170</u>               | <u>706,047</u>           | <u>45,001,239</u>    |
| End of year - June 30                   | <u>\$ 27,214,345</u> | <u>\$ 8,623,057</u>              | <u>\$ 264,332</u>           | <u>\$ 547,828</u>        | <u>\$ 36,649,562</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, 2017**

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  | \$ (8,351,677)        |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.   | (620,282)             |
| Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.  | 1,380,495             |
| Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.   | (1,573,116)           |
| Change in deferred outflows - pension   | 4,711,146             |
| Change in deferred inflows - pension  | 520,379               |
| Change in net pension asset and liability   | (5,645,975)           |
| Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.   | 100,291               |
| 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.   | 134,891               |
| 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.                   | (208,038)             |
| 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.   | (12,263,000)          |
| Principal repayments and payments to escrow agent 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. (This includes debt refinancing transactions.) | 14,771,165            |
| The net revenue of the internal service funds are reported with governmental activities.  | <u>30,632</u>         |
| Change in net position of governmental activities (Exhibit B)   | <u>\$ (7,013,089)</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, 2017

|   | Budgeted Amounts   |                     | Actual               | Variance with<br>Final Budget<br>Over/Under |
|---|--------------------|---------------------|----------------------|---|
|   | Original           | Final               |                      |   |
| <b>Revenues:</b>                        |                    |                     |                      |   |
| Ad valorem taxes                        | \$ 26,043,200      | \$ 26,043,200       | \$ 27,496,943        | \$ 1,453,743                                |
| Other taxes and licenses                | 7,671,461          | 7,687,942           | 8,245,224            | 557,282                                     |
| Unrestricted intergovernmental revenues | 201,500            | 207,113             | 347,331              | 140,218                                     |
| Restricted intergovernmental revenues   | 15,886,539         | 17,801,379          | 18,549,196           | 747,817                                     |
| Permits and fees                        | 1,370,429          | 1,418,368           | 1,359,789            | (58,579)                                    |
| Sales and services                      | 4,437,098          | 4,624,107           | 4,364,500            | (259,607)                                   |
| Investment earnings                     | 10,000             | 10,000              | 68,121               | 58,121                                      |
| Miscellaneous                           | 238,503            | 432,958             | 488,289              | 55,331                                      |
| Total revenues                          | <u>55,858,730</u>  | <u>58,225,067</u>   | <u>60,919,393</u>    | <u>2,694,326</u>                            |
| <b>Expenditures:</b>                    |                    |                     |                      |   |
| Current:                                |                    |                     |                      |   |
| General government                      | 8,204,975          | 9,130,679           | 7,496,153            | 1,634,526                                   |
| Public safety                           | 15,230,566         | 15,857,006          | 14,775,075           | 1,081,931                                   |
| Economic and physical development       | 1,533,425          | 2,644,559           | 1,636,541            | 1,008,018                                   |
| Human services                          | 23,463,002         | 28,385,079          | 21,739,036           | 6,646,043                                   |
| Cultural and recreational               | 632,057            | 632,769             | 604,985              | 27,784                                      |
| Education                               | 8,314,215          | 9,529,436           | 9,070,742            | 458,694                                     |
| Debt service:                           |                    |                     |                      |   |
| Principal retirement                    | 1,614,833          | 3,038,724           | 2,871,519            | 167,205                                     |
| Interest and fees                       | <u>661,990</u>     | <u>1,173,738</u>    | <u>1,147,364</u>     | <u>26,374</u>                               |
| Total expenditures                      | <u>59,655,063</u>  | <u>70,391,990</u>   | <u>59,341,415</u>    | <u>11,050,575</u>                           |
| Revenues over (under) expenditures      | <u>(3,796,333)</u> | <u>(12,166,923)</u> | <u>1,577,978</u>     | <u>13,744,901</u>                           |
| <b>Other Financing Sources (Uses):</b>  |                    |                     |                      |   |
| Intrafund transfers                     | 99,978             | 99,977              | 102,386              | 2,409                                       |
| Transfers in                            | 246,500            | 313,385             | 313,386              | 1   |
| Transfers out                           | -                  | (1,002,853)         | (1,002,853)          | -   |
| Refunding issued                        | -                  | 12,105,000          | 12,005,000           | (100,000)                                   |
| Payment to escrow agent                 | -                  | (11,899,646)        | (11,899,646)         | -   |
| Installment purchase obligations issued | -                  | 258,000             | 258,000              | -   |
| Appropriated fund balance               | <u>3,449,855</u>   | <u>12,293,060</u>   | <u>-</u>             | <u>(12,293,060)</u>                         |
| Total other financing sources (uses)    | <u>3,796,333</u>   | <u>12,166,923</u>   | <u>(223,727)</u>     | <u>(12,390,650)</u>                         |
| Net change in fund balance              | <u>\$ -</u>        | <u>\$ -</u>         | <u>1,354,251</u>     | <u>\$ 1,354,251</u>                         |
| <b>Fund Balance:</b>                    |                    |                     |                      |   |
| Beginning of year - July 1              |                    |                     | <u>25,314,980</u>    |   |
| End of year - June 30                   |                    |                     | <u>\$ 26,669,231</u> |   |

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

## HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

|  | <u>Business-Type Activities</u> |                      |                      | <u>Governmental</u>     |
|--|---------------------------------|----------------------|----------------------|-------------------------|
|  | <u>Major</u>                    |                      |                      | <u>Activities</u>       |
|  | <u>Solid Waste</u>              | <u>Water</u>         | <u>Total</u>         | <u>Internal Service</u> |
|  | <u>Fund</u>                     | <u>Fund</u>          | <u>Fund</u>          | <u>Funds</u>            |
| <b>Assets:</b>                                       |                                 |                      |                      |                         |
| Current assets:                                      |                                 |                      |                      |                         |
| Cash and investments                                 | \$ 5,618,591                    | \$ 3,011,871         | \$ 8,630,462         | \$ 1,814,182            |
| Accounts receivable, net                             | 729,856                         | 766,686              | 1,496,542            | -                       |
| Due from other governments                           | 13,934                          | 22,792               | 36,726               | -                       |
| Long term receivables                                | 5,106,720                       | -                    | 5,106,720            | -                       |
| Restricted cash                                      | -                               | 292,659              | 292,659              | -                       |
| Inventories  | -                               | 53,574               | 53,574               | -                       |
| Total current assets                                 | <u>11,469,101</u>               | <u>4,147,582</u>     | <u>15,616,683</u>    | <u>1,814,182</u>        |
| Non-current assets:                                  |                                 |                      |                      |                         |
| Capital assets:                                      |                                 |                      |                      |                         |
| Non-depreciable assets                               | 337,486                         | 303,428              | 640,914              | -                       |
| Other capital assets, net of depreciation            | 1,998,209                       | 32,480,582           | 34,478,791           | -                       |
| Total capital assets                                 | <u>2,335,695</u>                | <u>32,784,010</u>    | <u>35,119,705</u>    | <u>-</u>                |
| Total non-current assets                             | <u>2,335,695</u>                | <u>32,784,010</u>    | <u>35,119,705</u>    | <u>-</u>                |
| Total assets   | <u>13,804,796</u>               | <u>36,931,592</u>    | <u>50,736,388</u>    | <u>1,814,182</u>        |
| <b>Deferred Outflows of Resources:</b>               |                                 |                      |                      |                         |
| Contributions to pension plan in current fiscal year | 31,650                          | 31,650               | 63,300               | -                       |
| Pension deferrals                                    | 95,716                          | 95,716               | 191,432              | -                       |
| Total deferred outflows of resources                 | <u>127,366</u>                  | <u>127,366</u>       | <u>254,732</u>       | <u>-</u>                |
| <b>Liabilities:</b>                                  |                                 |                      |                      |                         |
| Current liabilities:                                 |                                 |                      |                      |                         |
| Accounts payable and accrued liabilities             | 295,848                         | 309,388              | 605,236              | 887,546                 |
| Accrued interest payable                             | 2,366                           | 472,652              | 475,018              | -                       |
| Compensated absences payable                         | 4,754                           | 10,302               | 15,056               | -                       |
| Accrued landfill post-closure care costs             | 104,375                         | -                    | 104,375              | -                       |
| Liabilities payable from restricted assets:          |                                 |                      |                      |                         |
| Customer deposits                                    | -                               | 262,740              | 262,740              | -                       |
| Notes payable  | 173,084                         | 118,746              | 291,830              | -                       |
| General obligation bonds payable                     | -                               | 898,202              | 898,202              | -                       |
| Revenue bonds payable                                | -                               | 47,000               | 47,000               | -                       |
| Total current liabilities                            | <u>580,427</u>                  | <u>2,119,030</u>     | <u>2,699,457</u>     | <u>887,546</u>          |
| Non-current liabilities:                             |                                 |                      |                      |                         |
| Compensated absences payable                         | 14,874                          | 35,858               | 50,732               | -                       |
| Accrued landfill post-closure care costs             | 7,924,477                       | -                    | 7,924,477            | -                       |
| Other post-employment benefits                       | 29,683                          | 34,478               | 64,161               | -                       |
| Notes payable - non-current portion                  | 649,219                         | 1,801,288            | 2,450,507            | -                       |
| Net pension liability                                | 147,771                         | 147,771              | 295,542              | -                       |
| General obligation bonds payable - non-current       | -                               | 17,135,606           | 17,135,606           | -                       |
| Revenue bonds payable - non-current                  | -                               | 2,502,000            | 2,502,000            | -                       |
| Total non-current liabilities                        | <u>8,766,024</u>                | <u>21,657,001</u>    | <u>30,423,025</u>    | <u>-</u>                |
| Total liabilities                                    | <u>9,346,451</u>                | <u>23,776,031</u>    | <u>33,122,482</u>    | <u>887,546</u>          |
| <b>Deferred Inflows of Resources</b>                 | <u>5,251</u>                    | <u>5,251</u>         | <u>10,502</u>        | <u>-</u>                |
| <b>Net Position:</b>                                 |                                 |                      |                      |                         |
| Net investment in capital assets                     | 1,513,392                       | 10,311,087           | 11,824,479           | -                       |
| Unrestricted   | 3,067,068                       | 2,966,589            | 6,033,657            | 926,636                 |
| Total net position                                   | <u>\$ 4,580,460</u>             | <u>\$ 13,277,676</u> | <u>\$ 17,858,136</u> | <u>\$ 926,636</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, 2017

|   | <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                                       | \$ 4,109,935                    | \$ 6,011,825         | \$ 10,121,760        | \$ -                    |
| System tap and service fees                                 | -                               | 43,392               | 43,392               | -                       |
| Charges for services  | -                               | -                    | -                    | 4,773,384               |
| Total operating revenues                                    | <u>4,109,935</u>                | <u>6,055,217</u>     | <u>10,165,152</u>    | <u>4,773,384</u>        |
| <b>Operating Expenses:</b>                                  |                                 |                      |                      |                         |
| Administration  | -                               | -                    | -                    | 4,500,401               |
| Water and sewer operations                                  | -                               | 3,685,027            | 3,685,027            | -                       |
| Repairs and maintenance                                     | -                               | 131,560              | 131,560              | -                       |
| Landfill operations   | 3,382,320                       | -                    | 3,382,320            | -                       |
| Landfill post-closure care costs                            | 103,036                         | -                    | 103,036              | -                       |
| Depreciation  | 192,621                         | 1,418,721            | 1,611,342            | -                       |
| Total operating expenses                                    | <u>3,677,977</u>                | <u>5,235,308</u>     | <u>8,913,285</u>     | <u>4,500,401</u>        |
| Operating income (loss)                                     | <u>431,958</u>                  | <u>819,909</u>       | <u>1,251,867</u>     | <u>272,983</u>          |
| <b>Non-Operating Revenues (Expenses):</b>                   |                                 |                      |                      |                         |
| Investment earnings   | 13,787                          | 2,488                | 16,275               | 4,149                   |
| Interest and fees paid                                      | <u>(22,611)</u>                 | <u>(747,354)</u>     | <u>(769,965)</u>     | <u>-</u>                |
| Total non-operating revenues (expenses)                     | <u>(8,824)</u>                  | <u>(744,866)</u>     | <u>(753,690)</u>     | <u>4,149</u>            |
| Income (loss) before transfers<br>and capital contributions | <u>423,134</u>                  | <u>75,043</u>        | <u>498,177</u>       | <u>277,132</u>          |
| Transfers to other funds                                    | -                               | -                    | -                    | (246,500)               |
| Capital contributions                                       | -                               | 128,416              | 128,416              | -                       |
| Total transfers and capital contributions                   | <u>-</u>                        | <u>128,416</u>       | <u>128,416</u>       | <u>(246,500)</u>        |
| Change in net position                                      | 423,134                         | 203,459              | 626,593              | 30,632                  |
| <b>Net Position:</b>  |                                 |                      |                      |                         |
| Beginning of year - July 1                                  | <u>4,157,326</u>                | <u>13,074,217</u>    | <u>17,231,543</u>    | <u>896,004</u>          |
| End of year - June 30                                       | <u>\$ 4,580,460</u>             | <u>\$ 13,277,676</u> | <u>\$ 17,858,136</u> | <u>\$ 926,636</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, 2017**

|  | <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>Total</u>        | <u>Funds</u>            |
| <b>Cash Flows From Operating Activities:</b>                         |                                 |                     |                     |                         |
| Cash received from customers   | \$ 4,006,912                    | \$ 5,904,230        | \$ 9,911,142        | \$ 4,773,416            |
| Cash paid for goods and services                                     | (2,857,553)                     | (3,092,681)         | (5,950,234)         | (4,426,568)             |
| Cash paid to employees for services                                  | (468,903)                       | (628,810)           | (1,097,713)         | -                       |
| Net cash provided (used) by operating activities                     | <u>680,456</u>                  | <u>2,182,739</u>    | <u>2,863,195</u>    | <u>346,848</u>          |
| <b>Cash Flows From Non-Capital Financing Activities:</b>             |                                 |                     |                     |                         |
| Transfers out  | -                               | -                   | -                   | (246,500)               |
| Net cash provided (used) by non-capital financing activities         | <u>-</u>                        | <u>-</u>            | <u>-</u>            | <u>(246,500)</u>        |
| <b>Cash Flows From Capital And Related Financing Activities:</b>     |                                 |                     |                     |                         |
| Contributed capital received   | -                               | 128,416             | 128,416             | -                       |
| Interest expense   | (24,246)                        | (711,961)           | (736,207)           | -                       |
| Acquisition of capital assets  | -                               | (132,176)           | (132,176)           | -                       |
| Principal repayments on long-term debt                               | (354,112)                       | (1,039,760)         | (1,393,872)         | -                       |
| Net cash provided (used) by capital and related financing activities | <u>(378,358)</u>                | <u>(1,755,481)</u>  | <u>(2,133,839)</u>  | <u>-</u>                |
| <b>Cash Flows From Investing Activities:</b>                         |                                 |                     |                     |                         |
| Interest on investments  | <u>13,787</u>                   | <u>2,488</u>        | <u>16,275</u>       | <u>4,149</u>            |
| Net cash provided (used) by investing activities                     | <u>13,787</u>                   | <u>2,488</u>        | <u>16,275</u>       | <u>4,149</u>            |
| Net increase (decrease) in cash and cash equivalents                 | 315,885                         | 429,746             | 745,631             | 104,497                 |
| <b>Cash and Cash Equivalents:</b>                                    |                                 |                     |                     |                         |
| Beginning of year - July 1   | <u>5,302,706</u>                | <u>2,874,784</u>    | <u>8,177,490</u>    | <u>1,709,685</u>        |
| End of year - June 30  | <u>\$ 5,618,591</u>             | <u>\$ 3,304,530</u> | <u>\$ 8,923,121</u> | <u>\$ 1,814,182</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, 2017

|   | Business-Type Activities |                     |                     | Governmental<br>Activities |
|---|--------------------------|---------------------|---------------------|----------------------------|
|   | Major                    |                     |                     |                            |
|   | Solid Waste<br>Fund      | Water<br>Fund       | Total               |                            |
| <b>Reconciliation Of Operating Income (Loss) To<br/>Net Cash Provided (Used) By Operating Activities:</b> |                          |                     |                     |                            |
| Operating income (loss)   | \$ 431,958               | \$ 819,909          | \$ 1,251,867        | \$ 272,983                 |
| Adjustments to reconcile operating income (loss)<br>to net cash provided (used) by operating activities:  |                          |                     |                     |                            |
| Depreciation  | 192,621                  | 1,418,721           | 1,611,342           | -                          |
| Changes in assets and liabilities:  |                          |                     |                     |                            |
| (Increase) decrease in accounts receivable  | (104,731)                | (154,865)           | (259,596)           | 32                         |
| (Increase) decrease in inventories  | -                        | (10,671)            | (10,671)            | -                          |
| Increase (decrease) in accounts payable<br>and accrued liabilities  | 48,954                   | 94,872              | 143,826             | 73,833                     |
| Increase (decrease) in customer deposits  | -                        | 6,155               | 6,155               | -                          |
| (Increase) decrease in deferred outflows<br>of resources for pension                                      | (97,756)                 | (97,756)            | (195,512)           | -                          |
| Increase (decrease) in net pension liability  | 117,149                  | 117,149             | 234,298             | -                          |
| Increase (decrease) in deferred inflows<br>of resources for pensions                                      | (10,775)                 | (10,775)            | (21,550)            | -                          |
| Increase (decrease) in accrued landfill closure<br>and post-closure costs                                 | 103,036                  | -                   | 103,036             | -                          |
| Net cash provided (used) by operating activities  | <u>\$ 680,456</u>        | <u>\$ 2,182,739</u> | <u>\$ 2,863,195</u> | <u>\$ 346,848</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, 2017

|                           | <u>Agency<br/>Funds</u> |
|---------------------------|-------------------------|
| <b>Assets:</b>            |                         |
| Cash                      | \$ 166,009              |
| Taxes receivable, net     | <u>966,497</u>          |
| Total assets              | <u>\$ 1,132,506</u>     |
| <b>Liabilities:</b>       |                         |
| Miscellaneous liabilities | \$ 266,011              |
| Intergovernmental payable | <u>866,495</u>          |
| Total liabilities         | <u>\$ 1,132,506</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, 2017

### 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, 2017, 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, 2017, 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, 2017

### 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, 2017

**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 six special revenue funds: Emergency Telephone System Fund, Our Community Hospital Center Fund, Weldon School District Fund, Fire District Fund, Roanoke Rapids School Graded District Fund, and Halifax County School District Fund.

**Capital Projects Funds.** Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments, or trust funds). The County maintains 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, 2017

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, 2017

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, 2017

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, and the enterprise 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, 2017

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 Government 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, 2017 is restricted for the purpose of debt retirement. Unexpended debt proceeds of \$7,387,926 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  | \$ 1,197,994        |
| General Fund                     | Reassessment       | 545,114             |
| Other governmental funds         | Unspent proceeds   | <u>7,387,926</u>    |
|                                  |                    | <u>9,131,034</u>    |
| <b>Business-Type Activities:</b> |                    |                     |
| Water Fund                       | Unspent proceeds   | 29,919              |
| Water Fund                       | Customer deposits  | <u>262,740</u>      |
|                                  |                    | <u>292,659</u>      |
| Total restricted cash            |                    | <u>\$ 9,423,693</u> |

### I. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property, other than motor vehicles, on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **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 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 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 term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the School District and the Board of Education and are not reported in the assets of the County.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

*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, 2017

**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 Elementary School Design</u> | <u>Klausner Lumber Two Project</u> | <u>Other Governmental</u> | <u>Total</u>         |
|--------------------------------|----------------------|---|------------------------------------|---------------------------|----------------------|
| Stabilization by State statute | \$ 10,292,174        | \$ 127,697                              | \$ 2,118,270                       | \$ 228,251                | \$ 12,766,392        |
| Human services                 | 8,500,507            | -                                       | -                                  | -                         | 8,500,507            |
| Education                      | -                    | 8,495,360                               | -                                  | -                         | 8,495,360            |
| Public safety                  | -                    | -                                       | -                                  | 432,927                   | 432,927              |
| <b>Total</b>                   | <u>\$ 18,792,681</u> | <u>\$ 8,623,057</u>                     | <u>\$ 2,118,270</u>                | <u>\$ 661,178</u>         | <u>\$ 30,195,186</u> |

Restricted net position on Exhibit A differs from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$7,387,926, and restricted for Register of Deeds’ pension plan of \$104,489 for a net difference of \$7,283,437 at June 30, 2017.

**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 economic development expenditures.

| <u>Purpose</u>       | <u>Other Governmental</u> |
|----------------------|---------------------------|
| Economic development | <u>\$ 27,396</u>          |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**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 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.

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that has been budgeted by the Board for 2017-2018 expenditures.

| <b>Purpose</b>                 | <b>General Fund</b>        |
|--------------------------------|----------------------------|
| Public safety                  | \$ 1,828,023               |
| Subsequent year's expenditures | <u>1,851,219</u>           |
| Total                          | <u><u>\$ 3,679,242</u></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 | \$ 27,214,345               |
| <b>Less:</b>                      |                             |
| Prepaid items                     | 34,500                      |
| Stabilization by State statute    | <u>10,292,174</u>           |
| Available fund balance            | <u><u>\$ 16,887,671</u></u> |

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

|   |                      |
|---|----------------------|
| Fund balance, ending - General Fund (Exhibit F) | <u>\$ 26,669,231</u> |
| <b>Reassessment Fund:</b>                       |                      |
| Revenues:                                       |                      |
| Investment earnings                             | 1,486                |
| Expenditures:                                   |                      |
| Transfers in                                    | 150,000              |
| Transfers out                                   | (252,386)            |
| <b>Fund Balance:</b>                            |                      |
| Beginning of year - July 1                      | <u>646,014</u>       |
| End of year - June 30                           | <u>545,114</u>       |
| Total ending fund balance (Exhibit D)           | <u>\$ 27,214,345</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 (LERS) 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, 2017

### 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, 2017, the County's deposits had a carrying amount of \$29,321,452 and a bank balance of \$30,909,621. Of the bank balance, \$500,000 was covered by federal depository insurance and \$30,409,621 was covered by collateral held under the Pooling Method.

At June 30, 2017, the County had \$3,550 cash on hand.

##### Investments

At June 30, 2017, the County had the following investments and maturities:

| <u>Investment Type</u>                                | <u>Valuation<br/>Measurement Method</u> | <u>Fair Value</u>    | <u>Less Than<br/>6 Months</u> |
|---|---|----------------------|-------------------------------|
| NC Capital Management Trust -<br>Government Portfolio | Amortized cost                          | \$ 11,445,284        | N/A                           |
| Commercial Paper                                      | Fair Value - Level 2                    | 1,197,994            | <u>1,197,994</u>              |
| Total investments                                     |   | <u>\$ 12,643,278</u> | <u>\$ 1,197,994</u>           |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*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 Government Portfolio carried a credit rating of AAAM by Standard and Poor's as of June 30, 2017.

*Concentration of Credit Risk.* The County places a limit of 10% on the amount that the County may invest in any one issuer of commercial paper or banker's acceptances. More than 5% of the County's investments are in China Construction Bank's commercial paper. These investments are 9.5% of the County's total investments.

### 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>        |
| 2014              | \$ 1,140,093        | \$ 387,338          | \$ 1,527,431        |
| 2015              | 1,149,263           | 286,282             | 1,435,545           |
| 2016              | 2,400,083           | 388,963             | 2,789,046           |
| 2017              | 2,443,955           | 177,187             | 2,621,142           |
| Total             | <u>\$ 7,133,394</u> | <u>\$ 1,239,770</u> | <u>\$ 8,373,164</u> |

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Receivables**

The receivables amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2017 are net of the following allowances:

|                                  | <u>Accounts</u>     |
|----------------------------------|---------------------|
| <b>Governmental Activities:</b>  |                     |
| General Fund                     |                     |
| Taxes receivable                 | \$ 655,127          |
| Accounts receivable              | <u>1,566,762</u>    |
| Total governmental activities    | <u>\$ 2,221,889</u> |
| <b>Business-Type Activities:</b> |                     |
| Solid waste                      | \$ 231,861          |
| Water Fund                       | <u>239,737</u>      |
| Total business-type activities   | <u>\$ 471,598</u>   |

Due from other governments consisted of the following:

|                                     | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|-------------------------------------|------------------------------------|-------------------------------------|
| Local option sales tax<br>and other | <u>\$ 261,504</u>                  | <u>\$ 36,726</u>                    |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### Capital Assets

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

|  | <b>Balance</b><br><b>July 1, 2016</b> | <b>Additions</b>      | <b>Retirements</b>     | <b>Balance</b><br><b>June 30, 2017</b> |
|--|---------------------------------------|-----------------------|------------------------|--|
| <b>Governmental Activities:</b>                    |                                       |                       |                        |  |
| <b>Non-Depreciable Assets:</b>                     |                                       |                       |                        |  |
| Land and improvements                              | \$ 3,700,690                          | \$ 183,333            | \$ -                   | \$ 3,884,023                           |
| Construction in progress                           | <u>2,496,985</u>                      | <u>53,862</u>         | <u>(2,496,985)</u>     | <u>53,862</u>                          |
| Total non-depreciable capital assets               | <u>6,197,675</u>                      | <u>237,195</u>        | <u>(2,496,985)</u>     | <u>3,937,885</u>                       |
| <b>Depreciable Assets:</b>                         |                                       |                       |                        |  |
| Buildings and improvements                         | 31,340,204                            | 2,502,235             | -                      | 33,842,439                             |
| Vehicles   | 4,275,789                             | 394,001               | (156,458)              | 4,513,332                              |
| Equipment  | <u>5,045,156</u>                      | <u>744,049</u>        | <u>-</u>               | <u>5,789,205</u>                       |
| Total depreciable capital assets                   | <u>40,661,149</u>                     | <u>3,640,285</u>      | <u>(156,458)</u>       | <u>44,144,976</u>                      |
| <br>Total capital assets                           | <br><u>46,858,824</u>                 | <br><u>3,877,480</u>  | <br><u>(2,653,443)</u> | <br><u>48,082,861</u>                  |
| <b>Less Accumulated Depreciation:</b>              |                                       |                       |                        |  |
| Buildings and improvements                         | (17,032,379)                          | (900,684)             | -                      | (17,933,063)                           |
| Vehicles   | (3,219,274)                           | (440,570)             | 156,458                | (3,503,386)                            |
| Equipment  | <u>(4,676,333)</u>                    | <u>(231,862)</u>      | <u>-</u>               | <u>(4,908,195)</u>                     |
| Total accumulated depreciation                     | <u>(24,927,986)</u>                   | <u>\$ (1,573,116)</u> | <u>\$ 156,458</u>      | <u>(26,344,644)</u>                    |
| <br>Governmental activities<br>capital assets, net | <br><u>\$ 21,930,838</u>              |                       |                        | <br><u>\$ 21,738,217</u>               |

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

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Governmental Activities:</b>   |                     |
| General government                | \$ 366,179          |
| Public safety                     | 597,388             |
| Economic and physical development | 232,344             |
| Human services                    | 374,003             |
| Cultural and recreational         | <u>3,202</u>        |
| Total                             | <u>\$ 1,573,116</u> |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Capital assets for proprietary funds of the County at June 30, 2017 are as follows:

|  | <b>Balance</b><br><b>July 1, 2016</b> | <b>Additions</b> | <b>Retirements</b> | <b>Balance</b><br><b>June 30, 2017</b> |
|--|---------------------------------------|------------------|--------------------|--|
| <b>Business-Type Activities:</b>                 |                                       |                  |                    |  |
| <b>Solid Waste:</b>                              |                                       |                  |                    |  |
| <b>Non-Depreciable Assets:</b>                   |                                       |                  |                    |  |
| Land   | \$ 312,250                            | \$ -             | \$ -               | \$ 312,250                             |
| Construction in progress                         | 128,031                               | -                | (102,795)          | 25,236                                 |
| Total non-depreciable assets                     | 440,281                               | -                | (102,795)          | 337,486                                |
| <b>Depreciable Assets:</b>                       |                                       |                  |                    |  |
| Other improvements                               | 27,123                                | -                | -                  | 27,123                                 |
| Buildings  | 1,853,739                             | 102,795          | -                  | 1,956,534                              |
| Vehicles   | 682,962                               | -                | -                  | 682,962                                |
| Equipment  | 1,689,432                             | -                | -                  | 1,689,432                              |
| Total depreciable capital assets                 | 4,253,256                             | 102,795          | -                  | 4,356,051                              |
| <b>Less Accumulated Depreciation:</b>            |                                       |                  |                    |  |
| Other improvements                               | (22,955)                              | (1,614)          | -                  | (24,569)                               |
| Buildings  | (172,827)                             | (62,201)         | -                  | (235,028)                              |
| Vehicles   | (587,882)                             | (43,178)         | -                  | (631,060)                              |
| Equipment  | (1,381,557)                           | (85,628)         | -                  | (1,467,185)                            |
| Total accumulated depreciation                   | (2,165,221)                           | \$ (192,621)     | \$ -               | (2,357,842)                            |
| Total solid waste capital<br>capital assets, net | \$ 2,528,316                          |                  |                    | \$ 2,335,695                           |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

|   | <b>Balance<br/>July 1, 2016</b> | <b>Additions</b> | <b>Retirements</b> | <b>Balance<br/>June 30, 2017</b> |
|---|---------------------------------|------------------|--------------------|----------------------------------|
| <b>Water Fund:</b>                              |                                 |                  |                    |                                  |
| <b>Non-Depreciable Assets:</b>                  |                                 |                  |                    |                                  |
| Land  | \$ 124,477                      | \$ -             | \$ -               | \$ 124,477                       |
| Construction in progress                        | 5,519,018                       | 106,014          | (5,446,081)        | 178,951                          |
| Total non-depreciable capital assets            | 5,643,495                       | 106,014          | (5,446,081)        | 303,428                          |
| <b>Depreciable Assets:</b>                      |                                 |                  |                    |                                  |
| Plant and distribution centers                  | 49,734,147                      | 5,446,081        | -                  | 55,180,228                       |
| Vehicles  | 335,519                         | 26,162           | -                  | 361,681                          |
| Equipment and furniture                         | 1,947,189                       | -                | -                  | 1,947,189                        |
| Total depreciable capital assets                | 52,016,855                      | 5,472,243        | -                  | 57,489,098                       |
| <b>Less Accumulated Depreciation:</b>           |                                 |                  |                    |                                  |
| Plant and distribution centers                  | (21,389,240)                    | (1,385,064)      | -                  | (22,774,304)                     |
| Vehicles  | (273,548)                       | (22,570)         | -                  | (296,118)                        |
| Equipment and furniture                         | (1,927,007)                     | (11,087)         | -                  | (1,938,094)                      |
| Total accumulated depreciation                  | (23,589,795)                    | \$(1,418,721)    | \$ -               | (25,008,516)                     |
| Total water capital assets, net                 | 34,070,555                      |                  |                    | 32,784,010                       |
| Business-type activities<br>capital assets, net | \$ 36,598,871                   |                  |                    | \$ 35,119,705                    |

### Net Investment in Capital Assets

The net investment in capital assets at June 30, 2017 is composed of the following elements:

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> |
|---|------------------------------------|-------------------------------------|
| Capital assets                                    | \$ 21,738,217                      | \$ 35,119,705                       |
| Total debt, gross                                 | 31,646,540                         | 23,325,145                          |
| Long-term debt for assets not owned by the County | 31,297,272                         | -                                   |
| Unexpended proceeds                               | -                                  | 29,919                              |
| Total capital debt                                | 349,268                            | 23,295,226                          |
| Net investment in capital assets                  | \$ 21,388,949                      | \$ 11,824,479                       |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### Debt Related to Capital Activities

Of the total governmental activities debt listed, only \$349,268 relates to assets to which the County holds title. Unexpended debt proceeds of \$7,387,926 in other governmental funds are related to assets not owned by the County.

### B. Liabilities

#### Construction Commitments

The County has one active construction project as of June 30, 2017: PRO Construction, Inc, \$8,445,135 related to Manning Elementary School construction.

#### Payables

Payables at Exhibit A for June 30, 2017 were as follows:

|                                  | <u>Vendors</u>      | <u>Insurance<br/>Claims<br/>Incurred But<br/>Not Reported</u> | <u>Other</u>     | <u>Total</u>        |
|----------------------------------|---------------------|---|------------------|---------------------|
| <b>Governmental Activities:</b>  |                     |   |                  |                     |
| General                          | \$ 915,081          | \$ 769,342  | \$ -             | \$ 1,684,423        |
| Manning Elementary School Design | 1,233,401           | -   | -                | 1,233,401           |
| Klausner Lumber Two Project      | -                   | -   | -                | -                   |
| Other governmental               | <u>275,412</u>      | <u>-</u>  | <u>-</u>         | <u>275,412</u>      |
| Total governmental activities    | <u>\$ 2,423,894</u> | <u>\$ 769,342</u>   | <u>\$ -</u>      | <u>\$ 3,193,236</u> |
| <b>Business-Type Activities:</b> |                     |   |                  |                     |
| Solid waste                      | \$ 295,848          | \$ -  | \$ -             | \$ 295,848          |
| Water                            | <u>292,618</u>      | <u>-</u>  | <u>16,770</u>    | <u>309,388</u>      |
| Total business-type activities   | <u>\$ 588,466</u>   | <u>\$ -</u>   | <u>\$ 16,770</u> | <u>\$ 605,236</u>   |

### 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

## HALIFAX COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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.

**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, 2017 was 8.00% of compensation for law

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

enforcement officers and 7.36% 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 \$1,582,517 for the year ended June 30, 2017.

**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, 2017, the County reported a liability of \$7,388,486 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was .34813%, which was an increase of .00698% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$2,013,392. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|---|--|---|
| Differences between expected and actual experience  | \$ 138,817   | \$ 258,901  |
| Changes of assumptions  | 506,045  | -   |
| Net difference between projected and actual earnings on pension plan investments                            | 4,084,902  | -   |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 56,033   | 3,701   |
| County's contributions subsequent to the measurement date   | <u>1,582,517</u>                                     | <u>-</u>  |
| Total   | <u>\$ 6,368,314</u>                                  | <u>\$ 262,602</u>                                   |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

\$1,582,517 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, 2018. 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>Amount</b>       |
| 2018               | \$ 694,959          |
| 2019               | 695,540             |
| 2020               | 1,954,925           |
| 2021               | 1,177,771           |
| 2022               | -                   |
| Total              | <u>\$ 4,523,195</u> |

**Actuarial Assumptions.** The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3.0 percent   |
| Salary increases          | 3.5 to 7.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u>   | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed income         | 29.0%                        | 1.4%  |
| Global equity        | 42.0%                        | 5.3%  |
| Real estate          | 8.0%                         | 4.3%  |
| Alternatives         | 8.0%                         | 8.9%  |
| Credit               | 7.0%                         | 6.0%  |
| Inflation protection | <u>6.0%</u>                  | 4.0%  |
| Total                | <u>100.00%</u>               |   |

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 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.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

*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:

|  | 1%<br>Decrease<br>(6.25%) | Discount<br>Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
|--|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of<br>the net pension liability (asset) | \$ 17,536,321             | \$ 7,388,486                | \$ (1,087,743)            |

**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.** Halifax 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more creditable years of service. The Separation Allowance is equal to 0.85 percent 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.

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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 and refunds 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 meets the criteria, which are outlined in GASB Statement 73.

**Actuarial Assumptions.** The entry age normal actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                  |  |
|------------------|--|
| Inflation        | 3.0 percent  |
| Salary increases | 3.5 to 7.35 percent, including inflation and productivity factor |
| Discount rate    | 3.86 percent   |

The discount rate used to measure the total pension liability is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

*Deaths after Retirement (Healthy):* RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

*Deaths before Retirement:* RP-2014 Employee base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

*Deaths after Retirement (Beneficiary):* RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted 123% for males and females.

*Deaths after Retirement (Disabled):* RP-2014 Disabled Retiree base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 103% for males and 99% for females.

**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. 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 costs of the Separation Allowance are financed through investment earnings.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

At June 30, 2017, the County reported a total pension liability of \$1,586,970. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$126,212.

|  | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|--|--|---|
| Changes of assumptions   | \$ -   | \$ 31,189   |
| Benefit payments and administrative expenses<br>subsequent to the measurement date | <u>100,291</u>                                       | <u>-</u>  |
| Total  | <u><u>\$ 100,291</u></u>                             | <u><u>\$ 31,189</u></u>                             |

\$100,291 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b><u>Year Ending<br/>June 30</u></b> | <b><u>Amount</u></b>    |
|---------------------------------------|-------------------------|
| 2018                                  | \$ 5,776                |
| 2019                                  | 5,779                   |
| 2020                                  | 5,776                   |
| 2021                                  | 5,776                   |
| 2022                                  | 5,776                   |
| Thereafter                            | <u>2,306</u>            |
| Total                                 | <u><u>\$ 31,189</u></u> |

\$99,915 paid as benefits came due and \$376 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.** The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

|  | <b>1%<br/>Decrease<br/>(2.86%)</b> | <b>Discount<br/>Rate<br/>(3.86%)</b> | <b>1%<br/>Increase<br/>(4.86%)</b> |
|--|------------------------------------|--------------------------------------|------------------------------------|
| County's proportionate share of<br>the total pension liability | \$ 1,718,935                       | \$ 1,586,970                         | \$ 1,467,282                       |

### Law Enforcement Officers' Special Separation Allowance

|   | <b>2017</b>  |
|---|--------------|
| Beginning balance                             | \$ 1,579,681 |
| Service cost                                  | 77,159       |
| Interest on the total pension liability       | 54,829       |
| Changes of assumptions and other inputs       | (36,966)     |
| Benefit payments                              | (87,733)     |
| Ending balance of the total pension liability | \$ 1,586,970 |

The amounts presented for each fiscal year were determined as of the prior December 31.

The plan currently uses mortality tables that vary by age, 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

### Supplemental Retirement Income Plan for Law Enforcement Officers

**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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 were \$373,531 which consisted of \$135,905 from the County, \$30,601 from the law enforcement officers, and \$207,025 from employees not engaged in law enforcement. No amounts were forfeited.

### **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).

**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 \$3,717 for the year ended June 30, 2017.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

At June 30, 2017, the County reported an asset of \$78,925 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was .42215%, which was a decrease of .01702% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$4,518. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|---|--|---|
| Differences between expected and actual experience  | \$ 84  | \$ 1,022  |
| Changes of assumptions  | 21,027   | -   |
| Net difference between projected and actual earnings on pension plan investments                            | 135  | -   |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 2,879  | 1,256   |
| County's contributions subsequent to the measurement date   | <u>3,717</u>   | <u>-</u>  |
| Total   | <u>\$ 27,842</u>                                     | <u>\$ 2,278</u>                                     |

\$3,717 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <b><u>Year Ending<br/>June 30</u></b> | <b><u>Amount</u></b> |
|---------------------------------------|----------------------|
| 2018                                  | \$ 8,566             |
| 2019                                  | 10,030               |
| 2020                                  | 4,137                |
| 2021                                  | (886)                |
| 2022                                  | <u>-</u>             |
| Total                                 | <u>\$ 21,847</u>     |

## HALIFAX COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**Actuarial Assumptions.** The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3.0 percent   |
| Salary increases          | 3.5 to 7.75 percent, including inflation and productivity factor          |
| Investment rate of return | 3.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 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 3.05%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 3.75%. 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 3.75%, 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 (2.75%) or 1-percentage-point higher (4.75%) than the current rate.

|  | 1%<br>Decrease<br>(2.75%) | Discount<br>Rate<br>(3.75%) | 1%<br>Increase<br>(4.75%) |
|--|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of<br>the net pension liability (asset) | \$ (63,639)               | \$ (78,925)                 | \$ (91,767)               |

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

### Other Post-Employment Benefits

**Plan Description.** According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer, defined benefit plan. The plan provides healthcare benefits to retirees of the County who retire with at least 30 years of service with the North Carolina Local Governmental Employees' Retirement System (NCLGERS), of which the last twenty years of service must be with the County. The County pays the full cost of coverage for these benefits until the retiree reaches age 65 or is eligible for Medicare. Retirees with at least twenty years of service with the County are eligible to continue coverage at the full premium cost until the retiree reaches age 65 or is eligible for Medicare. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, 33 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 |             |                          |
|---|-------------|--------------------------|
|   | Date Hired  |                          |
| Years of Creditable Service                               | Pre-July 1, | On or after July 1, 2007 |
| Less than 3 years   | 0%          | 0%                       |
| 3-15  | 50%         | 50%                      |
| 15+   | 100%        | 75%                      |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

**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, 2017

**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<br/>Activities</b> | <b>Business -Type<br/>Activities</b> | <b>Total</b> |
|---|------------------------------------|--------------------------------------|--------------|
| Annual required contribution                | \$ 425,926                         | \$ 16,212                            | \$ 442,138   |
| Interest on net OPEB obligation             | 64,115                             | 2,440                                | 66,555       |
| Adjustments to annual required contribution | (61,250)                           | (2,331)                              | (63,581)     |
| Annual OPEB cost (expense)                  | 428,791                            | 16,321                               | 445,112      |
| Contributions made                          | (470,296)                          | (17,900)                             | (488,196)    |
| Increase (decrease) in net OPEB obligation  | (41,505)                           | (1,579)                              | (43,084)     |
| Net OPEB obligation:                        |                                    |                                      |              |
| Beginning of year - July 1                  | 1,598,136                          | 65,740                               | 1,663,876    |
| End of year - June 30                       | \$ 1,556,631                       | \$ 64,161                            | \$ 1,620,792 |

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

| <b>Year Ended<br/>June 30</b> | <b>Annual<br/>OPEB<br/>Cost</b> | <b>Percentage of<br/>Annual OPEB<br/>Cost Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|-------------------------------|---------------------------------|---|------------------------------------|
| 2015                          | \$ 431,987                      | 58.0%   | \$ 1,706,883                       |
| 2016                          | 445,189                         | 109.7%  | 1,663,876                          |
| 2017                          | 445,112                         | 109.7%  | 1,620,792                          |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**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 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, 2017, 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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

### **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 \$8,028,852 reported as landfill post-closure care liability at June 30, 2017, 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 2017. 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 \$5,106,720 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 \$78,162 (market value – \$78,162) 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, 2017

### Deferred Outflows and Inflows of Resources

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

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Contributions to pension plans in the current fiscal year  | \$ 1,586,234                                  | \$ -   |
| Pensions - difference between expected and actual experience   | 138,901                                       | 259,923                                      |
| Pensions - changes of assumptions  | 527,072                                       | 31,189                                       |
| Pensions - difference between projected and actual investment earnings   | 4,085,037                                     | -  |
| Pensions - change in proportion and difference between employer contributions and proportionate share of contributions | 58,912  | 4,957  |
| Pensions - benefit payments and administrative expenses subsequent to the measurement date                             | 100,291                                       | -  |
| Taxes receivable, net (general)  | -   | 1,457,133                                    |
| Taxes receivable, net (special revenue)  | -   | 260,179                                      |
| Prepaid taxes not yet earned (general)   | -   | 117,735                                      |
| <b>Total</b>   | <b>\$ 6,496,447</b>                           | <b>\$ 2,131,116</b>                          |

### 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 \$73,697,049 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.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

Changes in the fund's claims liability amounts for fiscal year 2016-2017 were as follows:

| <u>Year Ended<br/>June 30</u> | <u>Beginning<br/>Liability</u> | <u>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>Ending<br/>Liability</u> |
|-------------------------------|--------------------------------|--|---------------------------|-----------------------------|
| 2017                          | <u>\$ 804,049</u>              | <u>\$ 4,477,225</u>                            | <u>\$ (4,511,932)</u>     | <u>\$ 769,342</u>           |

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, 2017, 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.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### Long-Term Obligations

#### Notes Payable:

#### Serviced by the General Fund:

|   |                      |
|---|----------------------|
| 2.35% \$12,005,000 bank note, payable in annual installments ranging from \$1,020,087.51 through \$573,662.25 including interest beginning June 1, 2017 through June 1, 2026; secured by DSS Building (refi COPS)                             | \$ 11,115,000        |
| \$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            |
| \$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%. | 1,646,539            |
| 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             | 16,893,333           |
| 1.43%, \$450,000 note, payable in annual installments of \$92,574 including interest beginning December 2013 through 2017; secured by EMS building  | 91,268               |
| 0%, \$74,667 note, payable in monthly installments ranging from \$360 to \$992 beginning April 2018 through February 2026; secured by building.   | 74,667               |
| 0%, \$183,333 note, payable in monthly installments ranging from \$884 to \$2,435 beginning April 2018 through February 2026; secured by land.  | <u>183,333</u>       |
| Total notes payable   | <u>\$ 31,646,540</u> |

As of June 30, 2017, funds totaling \$1,197,994 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, 2017

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<br/>June 30</b> | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b>         |
|--------------------------------|----------------------|---------------------|----------------------|
| 2018                           | \$ 2,792,602         | \$ 894,796          | \$ 3,687,398         |
| 2019                           | 2,701,264            | 823,789             | 3,525,053            |
| 2020                           | 2,697,724            | 755,832             | 3,453,556            |
| 2021                           | 4,318,124            | 688,393             | 5,006,517            |
| 2022                           | 2,653,724            | 621,446             | 3,275,170            |
| 2023-2027                      | 11,656,437           | 2,067,757           | 13,724,194           |
| 2028-2031                      | 4,826,665            | 336,660             | 5,163,325            |
| Total                          | <u>\$ 31,646,540</u> | <u>\$ 6,188,673</u> | <u>\$ 37,835,213</u> |

### Advance Refunding

On December 15, 2016, the County issued \$12,005,000 Installment Financing for the purpose of an advance refunding of the Certificates of Participation Schools Series 2006 in the amount of \$8,500,000 and the 2005 DSS Building Installment Financing in the amount of \$3,399,646, totaling \$11,899,646. As a result, the certificates of participation and installment financing are considered to be defeased, and the liability has been removed from the governmental activities column of the Statement of Net Position. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$1,178,342 and resulted in an economic gain of \$1,029,042.

#### Serviced by the Solid Waste Fund:

|   |                   |
|---|-------------------|
| 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 | <u>\$ 822,303</u> |
| Total notes payable - solid waste   | <u>822,303</u>    |

#### Serviced by the Water Fund:

|  |                     |
|--|---------------------|
| 2013 DENR Drinking Water Revolving Loan; \$1,376,823 due in annual installments of \$72,464, interest-free, beginning May 2014 through 2032  | 1,086,966           |
| 2014 DENR Clean Water State Revolving Loan; \$995,440 due in annual installments of \$49,772, interest-free, beginning May 2016 through 2035 | <u>833,068</u>      |
| Total notes payable - water and sewer  | <u>1,920,034</u>    |
| Total notes payable - enterprise funds   | <u>\$ 2,742,337</u> |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

| <u>June 30</u> | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>        |
|----------------|---------------------|------------------|---------------------|
| 2018           | \$ 291,830          | \$ 16,754        | \$ 308,584          |
| 2019           | 295,571             | 13,013           | 308,584             |
| 2020           | 299,393             | 9,191            | 308,584             |
| 2021           | 303,298             | 5,286            | 308,584             |
| 2022           | 225,941             | 1,297            | 227,238             |
| 2023-2027      | 593,732             | -                | 593,732             |
| 2028-2032      | 593,732             | -                | 593,732             |
| 2033-2037      | 138,840             | -                | 138,840             |
| Total          | <u>\$ 2,742,337</u> | <u>\$ 45,541</u> | <u>\$ 2,787,878</u> |

### General Obligation Indebtedness

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

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Bonds payable at June 30, 2017 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                         | \$ 3,195,000                |
| \$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                       | 6,279,000                   |
| \$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                               | 1,772,000                   |
| \$8,674,314 - GO refunding bond, Series 2012 due in annual installments through September 2028; semi-annual installments ranging from \$347,031 to \$694,062 including interest at 2.79% per annum | <u>6,787,808</u>            |
| Total bonds payable  | <u><u>\$ 18,033,808</u></u> |

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>                |
| 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                     | 542,324                    | 1,516,574                   |
| 2022               | 1,005,765                   | 510,052                    | 1,515,817                   |
| 2023-2027          | 5,465,246                   | 2,025,931                  | 7,491,177                   |
| 2028-2032          | 2,372,707                   | 1,239,534                  | 3,612,241                   |
| 2033-2037          | 1,261,000                   | 976,339                    | 2,237,339                   |
| 2038-2042          | 1,531,000                   | 707,504                    | 2,238,504                   |
| 2043-2047          | 1,851,000                   | 380,938                    | 2,231,938                   |
| 2048-2053          | 803,000                     | 48,300                     | 851,300                     |
| Total              | <u><u>\$ 18,033,808</u></u> | <u><u>\$ 8,239,557</u></u> | <u><u>\$ 26,273,365</u></u> |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### Revenue Bonds:

#### Serviced by the Water 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, 2017 is \$2,549,000.

#### Serviced by Enterprise Fund - Water Fund:

\$2,687,000 Water Revenue Bonds due in annual installments through June 2054. Annual installments ranging from \$97,500.88 to \$96,900.00 include interest at 2.0% per annum \$ 2,549,000

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

| <b>Year Ending</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|--------------------|---------------------|---------------------|---------------------|
| <u>June 30</u>     | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        |
| 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               | 51,000              | 47,100              | 98,100              |
| 2023-2027          | 270,000             | 219,800             | 489,800             |
| 2028-2032          | 300,000             | 191,600             | 491,600             |
| 2033-2037          | 331,000             | 160,400             | 491,400             |
| 2038-2042          | 365,000             | 125,980             | 490,980             |
| 2043-2047          | 403,000             | 88,020              | 491,020             |
| 2048-2052          | 446,000             | 46,020              | 492,020             |
| 2053-2054          | 189,000             | 5,680               | 194,680             |
| Total              | <u>\$ 2,549,000</u> | <u>\$ 1,082,800</u> | <u>\$ 3,631,800</u> |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The County has pledged future water 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 Fund. The debt service coverage ratios for the year ended June 30, 2017 is as follows:

|   |                     |
|---|---------------------|
| Revenues  | \$ 6,055,217        |
| Operating expense*  | <u>(3,816,587)</u>  |
| Net revenues  | <u>\$ 2,238,630</u> |
| Debt service, revenue bond only                             | <u>\$ 97,980</u>    |
| Debt service coverage ratio                                 | <u>2285%</u>        |
| Debt service, GO bonds, revenue bonds,<br>and notes payable | <u>\$ 1,751,721</u> |
| Debt service coverage ratio                                 | <u>127.80%</u>      |

\*Excludes depreciation of \$1,418,721

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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, 2017:

|   | <u>Balance</u><br><u>July 1, 2016</u> | <u>Additions</u>     | <u>Retirements</u>     | <u>Balance</u><br><u>June 30, 2017</u> | <u>Current</u><br><u>Portion of</u><br><u>Balance</u> |
|---|---------------------------------------|----------------------|------------------------|--|---|
| <b>Governmental Activities:</b>                         |                                       |                      |                        |  |   |
| Notes payable   | \$ 34,154,705                         | \$ 12,263,000        | \$ (14,771,165)        | \$ 31,646,540                          | \$ 2,792,602  |
| Compensated absences                                    | 1,609,609                             | 843,591              | (720,259)              | 1,732,941                              | 540,194   |
| Net pension liability (LGERS)                           | 1,469,817                             | 5,623,127            | -                      | 7,092,944                              | -   |
| Other post-employment benefits                          | 1,598,136                             | 428,791              | (470,296)              | 1,556,631                              | -   |
| Total pension liability (LEOSSA)                        | <u>821,562</u>                        | <u>765,408</u>       | <u>-</u>               | <u>1,586,970</u>                       | <u>-</u>  |
| Total governmental activities                           | <u>\$ 39,653,829</u>                  | <u>\$ 19,923,917</u> | <u>\$ (15,961,720)</u> | <u>\$ 43,616,026</u>                   | <u>\$ 3,332,796</u>                                   |
| <b>Business-Type Activities:</b>                        |                                       |                      |                        |  |   |
| <b>Solid Waste:</b>                                     |                                       |                      |                        |  |   |
| Note payable  | \$ 1,176,415                          | \$ -                 | \$ (354,112)           | \$ 822,303                             | \$ 173,084  |
| Accrued landfill closure and<br>post-closure care costs | 7,925,816                             | 103,036              | -                      | 8,028,852                              | 104,375   |
| Net pension liability (LGERS)                           | 30,622                                | 117,149              | -                      | 147,771                                | -   |
| Other post-employment benefits                          | 30,389                                | 7,294                | (8,000)                | 29,683                                 | -   |
| Compensated absences                                    | <u>17,314</u>                         | <u>8,653</u>         | <u>(6,339)</u>         | <u>19,628</u>                          | <u>4,754</u>  |
| Total solid waste activities                            | <u>9,180,556</u>                      | <u>236,132</u>       | <u>(368,451)</u>       | <u>9,048,237</u>                       | <u>282,213</u>  |
| <b>Water:</b>   |                                       |                      |                        |  |   |
| General obligation debt                                 | 18,909,122                            | -                    | (875,314)              | 18,033,808                             | 898,202   |
| Revenue bonds   | 2,595,000                             | -                    | (46,000)               | 2,549,000                              | 47,000  |
| Notes payable   | 2,038,480                             | -                    | (118,446)              | 1,920,034                              | 118,746   |
| Net pension liability (LGERS)                           | 30,622                                | 117,149              | -                      | 147,771                                | -   |
| Other post-employment benefits                          | 35,351                                | 9,027                | (9,900)                | 34,478                                 | -   |
| Compensated absences                                    | <u>42,305</u>                         | <u>17,591</u>        | <u>(13,736)</u>        | <u>46,160</u>                          | <u>10,302</u>   |
| Total water activities                                  | <u>23,650,880</u>                     | <u>143,767</u>       | <u>(1,063,396)</u>     | <u>22,731,251</u>                      | <u>1,074,250</u>                                      |
| Total business-type activities                          | <u>\$ 32,831,436</u>                  | <u>\$ 379,899</u>    | <u>\$ (1,431,847)</u>  | <u>\$ 31,779,488</u>                   | <u>\$ 1,356,463</u>                                   |

At June 30, 2017, the County had a legal debt margin of \$228,184,100.

Compensated absences, other post-employment benefits, and pension liabilities 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, 2017

### 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, 2017 consist of the following:

| <u>From</u>                           | <u>To</u>             | <u>Amount</u>       | <u>Purpose</u>                           |
|---------------------------------------|-----------------------|---------------------|--|
| General Fund                          | Capital Project Funds | \$ 830,005          | Project funding for economic development |
| General Fund                          | Special Revenue Funds | 172,848             | Reimburse PSAP ineligible expenses       |
| Internal Service Fund                 | General Fund          | 246,500             | Fund internal service program            |
| Capital Project Funds                 | General Fund          | 66,886              | To close project                         |
| Phase XI and XI-A                     | Water Fund            | 159,860             | To close project                         |
| Water Fund                            | Phase XI and XI-A     | 30,000              | To close project                         |
| Weldon Sanitation Sewer Project       | Water Fund            | 13,491              | To close project                         |
| Transfer Station Project              | Solid Waste Fund      | 164,643             | To close project                         |
| White Goods Handling Facility Project | Solid Waste Fund      | 21,206              | To close project                         |
| Total                                 |                       | <u>\$ 1,705,439</u> |  |

The composition of interfund balances as of June 30, 2017 is as follows:

| <u>Receivable Entity</u> | <u>Payable Entity</u>       | <u>Amount</u>       |
|--------------------------|-----------------------------|---------------------|
| General Fund             | Klausner Lumber Two Project | <u>\$ 4,692,429</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, 2017

### 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 \$1,325,987 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2017. 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, 2017. 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 \$17,500 to the Transportation Authority during the fiscal year ended June 30, 2017. 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, 2017. 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, 2017

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, 2017. 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 \$24,186 to the Council during the fiscal year ended June 30, 2017.

### 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                                    | \$ 3,599             | \$ -                 |
| Refugee & Entrant Assistance - State Administered Program                  | 543                  | -                    |
| TANF payments and penalties  | 552,227              | -                    |
| Foster Care Title IV-E Admin County Paid                                   | 1,837                | 919                  |
| Foster Care Title IV-E Family Foster Max                                   | 1,180                | -                    |
| Foster Care Title IV-E Foster Care   | 36,790               | 10,560               |
| Adoption Assistance Adopt Subsidy & Vendor                                 | 204,841              | 51,130               |
| Medical Assistance Program   | 72,255,052           | 40,684,887           |
| NC Health Choice   | 1,573,738            | 9,279                |
| Special Supplemental Nutrition Program<br>for Women, Infants, and Children | 1,638,470            | -                    |
| CWS Adopt Subsidy and Vendor   | -                    | 105,159              |
| Extended FC/MAX Non IV-E   | -                    | 10,893               |
| F/C At Risk Maximization   | -                    | 1,249                |
| SAA/SAD HB 130   | -                    | 31,416               |
| State/County Special Assistance for Adults                                 | -                    | 626,236              |
| SFHF Maximization  | -                    | 24,042               |
| State Foster Home  | -                    | 21,234               |
| <b>Total</b>   | <b>\$ 76,268,277</b> | <b>\$ 41,577,004</b> |

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ended June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$670,386.

### 9. Subsequent Events

On October 4, 2017, the County issued the \$3,250,000 General Obligation Refunding Bond, Series 2017 for the purpose of an advance refunding of the General Obligation, Series 2004 in the amount of \$3,195,000.



This page left intentionally blank

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

- **Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance.**
- **Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance.**
- **Schedules of Funding Progress and Employer Contributions for Other Post-Employment Benefits – Retiree Health Plan**
- **Halifax County's Proportionate Share of Net Pension Liability (Asset) for the Last Four Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Contributions for the Last Four Fiscal Years for the Local Governmental Employees' Retirement System**
- **Halifax County's Proportionate Share of Net Pension Liability (Asset) for the Last Four Fiscal Years for the Register of Deeds' Supplemental Pension Fund**
- **Halifax County's Contributions for the Last Four Fiscal Years for the Register of Deeds' Supplemental Pension Fund**



This page left intentionally blank

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

| <b>Law Enforcement Officers' Special Separation Allowanc</b> |                     |
|--|---------------------|
|  | <b>2017</b>         |
| Beginning balance  | \$ 1,579,681        |
| Service cost   | 77,159              |
| Interest on the total pension liability                      | 54,829              |
| Changes of assumptions and other inputs                      | (36,966)            |
| Benefit payments   | (87,733)            |
| Ending balance of the total pension liability                | <u>\$ 1,586,970</u> |

The amounts presented for each fiscal year were determined as of the prior December 31.

**HALIFAX COUNTY, NORTH CAROLINA****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017****Law Enforcement Officers' Special Separation Allowance**

|  | <u>2017</u>  |
|--|--------------|
| Total pension liability                                    | \$ 1,586,970 |
| Covered payroll  | 2,682,099    |
| Total pension liability as a percentage of covered payroll | 59.17%       |

**Notes to the Schedules:**

Halifax County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

## HALIFAX COUNTY, NORTH CAROLINA

### OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2017

#### Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(A) | Actuarial Accrued<br>Liability (AAL) |                                 |       | Funded<br>Ratio<br>(A/B) | Covered<br>Payroll<br>(C) | UAAL as a<br>% of Covered<br>Payroll<br>((B-A)/C) |
|--------------------------------|--|--------------------------------------|---------------------------------|-------|--------------------------|---------------------------|---|
|                                |  | Projected Unit<br>Credit<br>(B)      | Unfunded<br>AAL (UAAL)<br>(B-A) |       |                          |                           |   |
| 12/31/2006                     | \$ -                                   | \$ 5,675,908                         | \$ 5,675,908                    | 0.00% | \$ 17,464,576            | 32.50%                    |   |
| 12/31/2009                     | -                                      | 4,221,342                            | 4,221,342                       | 0.00% | 19,065,825               | 22.10%                    |   |
| 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<br>June 30 | Annual<br>Required<br>Contribution | Percentage<br>of ARC<br>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%                             |
| 2017                  | 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 FOUR FISCAL YEARS\***

| <b>Local Governmental Employees' Retirement System</b>  |               |               |                |               |
|---|---------------|---------------|----------------|---------------|
|   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>    | <b>2014</b>   |
| Halifax County's proportion of the net pension liability (asset) (%)  | 0.34813%      | 0.34115%      | 0.33898%       | 0.34810%      |
| Halifax County's proportion of the net pension liability (asset) (\$)   | \$ 7,388,485  | \$ 1,531,061  | \$ (1,999,122) | \$ 4,195,942  |
| Halifax County's covered-employee payroll   | \$ 21,143,405 | \$ 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 | 34.94%        | 7.50%         | -9.78%         | 21.88%        |
| Plan fiduciary net position as a percentage of the total pension liability**  | 91.47%        | 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.

This schedule is intended to show information for ten years. Additional years of information will be presented as it becomes available.

**HALIFAX COUNTY, NORTH CAROLINA****HALIFAX COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FOUR FISCAL YEARS**

| <b>Local Governmental Employees' Retirement System</b>               |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
|  | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      |
| Contractually required contribution                                  | \$ 1,582,517     | \$ 1,429,886     | \$ 1,439,526     | \$ 1,438,766     |
| Contributions in relation to the contractually required contribution | <u>1,582,517</u> | <u>1,429,886</u> | <u>1,439,526</u> | <u>1,438,766</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Halifax County's covered-employee payroll                            | \$ 21,387,061    | \$ 21,143,405    | \$ 20,409,317    | \$ 20,433,406    |
| Contributions as a percentage of covered-employee payroll            | 7.40%            | 6.76%            | 7.05%            | 7.04%            |

This schedule is intended to show information for ten years. Additional years of information will be presented as it becomes available.

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

|   | <b>Register of Deeds' Supplemental Pension Fund</b> |              |             |             |
|---|---|--------------|-------------|-------------|
|   | <u>2017</u>   | <u>2016</u>  | <u>2015</u> | <u>2014</u> |
| Halifax County's proportion of the net pension liability (asset) (%)  | 0.42215%  | 0.43917%     | 0.42865%    | 0.40189%    |
| Halifax County's proportion of the net pension liability (asset) (\$)   | \$ (78,925)   | \$ (101,773) | \$ (97,158) | \$ (85,844) |
| Halifax County's covered-employee payroll   | \$ 89,433   | \$ 84,819    | \$ 84,385   | \$ 81,119   |
| Halifax County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -88.25%   | -119.99%     | -115.14%    | -105.82%    |
| Plan fiduciary net position as a percentage of the total pension liability  | 160.17%   | 197.29%      | 193.88%     | 190.50%     |

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

This schedule is intended to show information for ten years. Additional years of information will be presented as it becomes available.

**HALIFAX COUNTY, NORTH CAROLINA****HALIFAX COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FOUR FISCAL YEARS**

| <b>Register of Deeds' Supplemental Pension Fund</b>                  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
|  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  | <u>2014</u>  |
| Contractually required contribution                                  | \$ 3,717     | \$ 3,449     | \$ 3,514     | \$ 3,500     |
| Contributions in relation to the contractually required contribution | <u>3,717</u> | <u>3,449</u> | <u>3,514</u> | <u>3,500</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Halifax County's covered-employee payroll                            | \$ 87,076    | \$ 89,433    | \$ 84,819    | \$ 84,385    |
| Contributions as a percentage of covered-employee payroll            | 4.27%        | 3.86%        | 4.14%        | 4.15%        |

This schedule is intended to show information for ten years. Additional years of information will be presented as it becomes available.



This page left intentionally blank

## **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, 2017

|   | General<br>Fund      | Public<br>Health<br>Fund | Social<br>Services<br>Fund | Emergency<br>Management<br>Services<br>Fund | General<br>Fund<br>Total | Reassessment<br>Fund | Total<br>Consolidated<br>General Fund |
|---|----------------------|--------------------------|----------------------------|---|--------------------------|----------------------|---------------------------------------|
| <b>Revenues:</b>                        |                      |                          |                            |   |                          |                      |                                       |
| Ad valorem taxes                        | \$ 27,496,943        | \$ -                     | \$ -                       | \$ -  | \$ 27,496,943            | \$ -                 | \$ 27,496,943                         |
| Other taxes and licenses                | 8,245,224            | -                        | -                          | -   | 8,245,224                | -                    | 8,245,224                             |
| Unrestricted intergovernmental revenues | 347,331              | -                        | -                          | -   | 347,331                  | -                    | 347,331                               |
| Restricted intergovernmental revenues   | 3,037,041            | 4,458,026                | 10,476,262                 | 577,867                                     | 18,549,196               | -                    | 18,549,196                            |
| Permits and fees                        | 1,355,032            | -                        | 4,757                      | -   | 1,359,789                | -                    | 1,359,789                             |
| Sales and services                      | 1,759,631            | 16,481                   | -                          | 2,588,388                                   | 4,364,500                | -                    | 4,364,500                             |
| Investment earnings                     | 68,121               | -                        | -                          | -   | 68,121                   | 1,486                | 69,607                                |
| Miscellaneous                           | 439,766              | 8,143                    | 6                          | 40,374                                      | 488,289                  | -                    | 488,289                               |
| Total revenues                          | <u>42,749,089</u>    | <u>4,482,650</u>         | <u>10,481,025</u>          | <u>3,206,629</u>                            | <u>60,919,393</u>        | <u>1,486</u>         | <u>60,920,879</u>                     |
| <b>Expenditures:</b>                    |                      |                          |                            |   |                          |                      |                                       |
| General government                      | 7,496,153            | -                        | -                          | -   | 7,496,153                | -                    | 7,496,153                             |
| Public safety                           | 9,483,955            | -                        | -                          | 5,291,120                                   | 14,775,075               | -                    | 14,775,075                            |
| Economic and physical development       | 1,636,541            | -                        | -                          | -   | 1,636,541                | -                    | 1,636,541                             |
| Human services                          | 1,032,924            | 6,143,916                | 14,562,196                 | -   | 21,739,036               | -                    | 21,739,036                            |
| Cultural and recreational               | 604,985              | -                        | -                          | -   | 604,985                  | -                    | 604,985                               |
| Education                               | 9,070,742            | -                        | -                          | -   | 9,070,742                | -                    | 9,070,742                             |
| Debt service:                           |                      |                          |                            |   |                          |                      |                                       |
| Principal                               | 2,781,537            | -                        | -                          | 89,982                                      | 2,871,519                | -                    | 2,871,519                             |
| Interest                                | 1,144,772            | -                        | -                          | 2,592                                       | 1,147,364                | -                    | 1,147,364                             |
| Total expenditures                      | <u>33,251,609</u>    | <u>6,143,916</u>         | <u>14,562,196</u>          | <u>5,383,694</u>                            | <u>59,341,415</u>        | <u>-</u>             | <u>59,341,415</u>                     |
| Revenues over (under) expenditures      | <u>9,497,480</u>     | <u>(1,661,266)</u>       | <u>(4,081,171)</u>         | <u>(2,177,065)</u>                          | <u>1,577,978</u>         | <u>1,486</u>         | <u>1,579,464</u>                      |
| <b>Other Financing Sources (Uses):</b>  |                      |                          |                            |   |                          |                      |                                       |
| Intrafund transfers                     | (6,819,904)          | 1,218,531                | 3,203,303                  | 2,500,456                                   | 102,386                  | (102,386)            | -                                     |
| Transfers in:                           |                      |                          |                            |   |                          |                      |                                       |
| Internal Service Fund                   | 246,500              | -                        | -                          | -   | 246,500                  | -                    | 246,500                               |
| Capital projects funds                  | 66,886               | -                        | -                          | -   | 66,886                   | -                    | 66,886                                |
| Transfers out:                          |                      |                          |                            |   |                          |                      |                                       |
| Special revenue funds                   | (172,848)            | -                        | -                          | -   | (172,848)                | -                    | (172,848)                             |
| Capital projects funds                  | (830,005)            | -                        | -                          | -   | (830,005)                | -                    | (830,005)                             |
| Refunding issued                        | 12,005,000           | -                        | -                          | -   | 12,005,000               | -                    | 12,005,000                            |
| Payment to escrow agent                 | (11,899,646)         | -                        | -                          | -   | (11,899,646)             | -                    | (11,899,646)                          |
| Installment purchase obligations issued | 258,000              | -                        | -                          | -   | 258,000                  | -                    | 258,000                               |
| Total other financing sources (uses)    | <u>(7,146,017)</u>   | <u>1,218,531</u>         | <u>3,203,303</u>           | <u>2,500,456</u>                            | <u>(223,727)</u>         | <u>(102,386)</u>     | <u>(326,113)</u>                      |
| Net change in fund balances             | 2,351,463            | (442,735)                | (877,868)                  | 323,391                                     | 1,354,251                | (100,900)            | 1,253,351                             |
| <b>Fund Balance:</b>                    |                      |                          |                            |   |                          |                      |                                       |
| Beginning of year - July 1              | <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>25,960,994</u>                     |
| End of year - June 30                   | <u>\$ 16,340,701</u> | <u>\$ 4,907,154</u>      | <u>\$ 3,593,353</u>        | <u>\$ 1,828,023</u>                         | <u>\$ 26,669,231</u>     | <u>\$ 545,114</u>    | <u>\$ 27,214,345</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, 2017**

|   | <u>General<br/>Fund</u> | <u>Public<br/>Health<br/>Fund</u> | <u>Social<br/>Services<br/>Fund</u> | <u>Emergency<br/>Management<br/>Services<br/>Fund</u> | <u>Total</u>         |
|---|-------------------------|-----------------------------------|-------------------------------------|---|----------------------|
| <b>Revenues:</b>                        |                         |                                   |                                     |   |                      |
| Ad valorem taxes                        | \$ 27,496,943           | \$ -                              | \$ -                                | \$ -  | \$ 27,496,943        |
| Other taxes and licenses                | 8,245,224               | -                                 | -                                   | -   | 8,245,224            |
| Unrestricted intergovernmental revenues | 347,331                 | -                                 | -                                   | -   | 347,331              |
| Restricted intergovernmental revenues   | 3,037,041               | 4,458,026                         | 10,476,262                          | 577,867   | 18,549,196           |
| Permits and fees                        | 1,355,032               | -                                 | 4,757                               | -   | 1,359,789            |
| Sales and services                      | 1,759,631               | 16,481                            | -                                   | 2,588,388   | 4,364,500            |
| Investment earnings                     | 68,121                  | -                                 | -                                   | -   | 68,121               |
| Miscellaneous                           | 439,766                 | 8,143                             | 6                                   | 40,374  | 488,289              |
| Total revenues                          | <u>42,749,089</u>       | <u>4,482,650</u>                  | <u>10,481,025</u>                   | <u>3,206,629</u>                                      | <u>60,919,393</u>    |
| <b>Expenditures:</b>                    |                         |                                   |                                     |   |                      |
| General government                      | 7,496,153               | -                                 | -                                   | -   | 7,496,153            |
| Public safety                           | 9,483,955               | -                                 | -                                   | 5,291,120   | 14,775,075           |
| Economic and physical development       | 1,636,541               | -                                 | -                                   | -   | 1,636,541            |
| Human services                          | 1,032,924               | 6,143,916                         | 14,562,196                          | -   | 21,739,036           |
| Cultural and recreational               | 604,985                 | -                                 | -                                   | -   | 604,985              |
| Education                               | 9,070,742               | -                                 | -                                   | -   | 9,070,742            |
| Debt service:                           |                         |                                   |                                     |   |                      |
| Principal                               | 2,781,537               | -                                 | -                                   | 89,982  | 2,871,519            |
| Interest                                | 1,144,772               | -                                 | -                                   | 2,592   | 1,147,364            |
| Total expenditures                      | <u>33,251,609</u>       | <u>6,143,916</u>                  | <u>14,562,196</u>                   | <u>5,383,694</u>                                      | <u>59,341,415</u>    |
| Revenues over (under) expenditures      | <u>9,497,480</u>        | <u>(1,661,266)</u>                | <u>(4,081,171)</u>                  | <u>(2,177,065)</u>                                    | <u>1,577,978</u>     |
| <b>Other Financing Sources (Uses):</b>  |                         |                                   |                                     |   |                      |
| Intrafund transfers in (out)            | (6,819,904)             | 1,218,531                         | 3,203,303                           | 2,500,456   | 102,386              |
| Transfers in:                           |                         |                                   |                                     |   |                      |
| Internal Service Fund                   | 246,500                 | -                                 | -                                   | -   | 246,500              |
| Capital projects funds                  | 66,886                  | -                                 | -                                   | -   | 66,886               |
| Transfers out:                          |                         |                                   |                                     |   |                      |
| Special revenue funds                   | (172,848)               | -                                 | -                                   | -   | (172,848)            |
| Capital projects funds                  | (830,005)               | -                                 | -                                   | -   | (830,005)            |
| Refunding issued                        | 12,005,000              | -                                 | -                                   | -   | 12,005,000           |
| Payment to escrow agent                 | (11,899,646)            | -                                 | -                                   | -   | (11,899,646)         |
| Installment purchase obligations issued | 258,000                 | -                                 | -                                   | -   | 258,000              |
| Total other financing sources (uses)    | <u>(7,146,017)</u>      | <u>1,218,531</u>                  | <u>3,203,303</u>                    | <u>2,500,456</u>                                      | <u>(223,727)</u>     |
| Net change in fund balances             | 2,351,463               | (442,735)                         | (877,868)                           | 323,391   | 1,354,251            |
| <b>Fund Balance:</b>                    |                         |                                   |                                     |   |                      |
| Beginning of year - July 1              | <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>    |
| End of year - June 30                   | <u>\$ 16,340,701</u>    | <u>\$ 4,907,154</u>               | <u>\$ 3,593,353</u>                 | <u>\$ 1,828,023</u>                                   | <u>\$ 26,669,231</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017          |               |                     | 2016          |
|--|---------------|---------------|---------------------|---------------|
|  | Budget        | Actual        | Variance Over/Under | Actual        |
| <b>Revenues:</b>                       |               |               |                     |               |
| <b>Ad Valorem Taxes:</b>               |               |               |                     |               |
| Taxes                                  | \$ 25,893,200 | \$ 27,293,863 | \$ 1,400,663        | \$ 24,455,783 |
| Penalties and interest                 | 150,000       | 203,080       | 53,080              | 142,290       |
| Total                                  | 26,043,200    | 27,496,943    | 1,453,743           | 24,598,073    |
| <b>Other Taxes and Licenses:</b>       |               |               |                     |               |
| Local option sales taxes               | 7,573,240     | 8,152,620     | 579,380             | 7,448,133     |
| Cable franchise tax                    | 98,221        | 92,604        | (5,617)             | 93,902        |
| Total                                  | 7,671,461     | 8,245,224     | 573,763             | 7,542,035     |
| <b>Unrestricted Intergovernmental:</b> |               |               |                     |               |
| Fines and forfeitures                  | 207,113       | 211,486       | 4,373               | 227,323       |
| Beer and wine                          | -             | 135,845       | 135,845             | 134,102       |
| Total                                  | 207,113       | 347,331       | 140,218             | 361,425       |
| <b>Restricted Intergovernmental:</b>   |               |               |                     |               |
| Federal and State grants               | 1,966,237     | 1,808,193     | (158,044)           | 1,373,762     |
| North Carolina ADM allocation          | -             | 200,000       | 200,000             | -             |
| Lottery proceeds                       | 540,000       | 863,186       | 323,186             | 348,718       |
| Halifax ABC revenue                    | 187,131       | 165,662       | (21,469)            | 155,695       |
| USDA commodity food                    | -             | -             | -                   | 298,833       |
| Total                                  | 2,693,368     | 3,037,041     | 343,673             | 2,177,008     |
| <b>Permits and Fees:</b>               |               |               |                     |               |
| Facility fees                          | 66,000        | 62,396        | (3,604)             | 69,356        |
| Building inspection fees               | 125,000       | 212,996       | 87,996              | 119,792       |
| Register of Deeds' fees                | 248,500       | 289,896       | 41,396              | 270,524       |
| Other fees and rents                   | 978,868       | 789,744       | (189,124)           | 894,439       |
| Total                                  | 1,418,368     | 1,355,032     | (63,336)            | 1,354,111     |
| <b>Sales and Services:</b>             |               |               |                     |               |
| Occupancy tax administration           | 918,610       | 918,610       | -                   | 847,882       |
| Jail fees                              | 27,300        | 37,404        | 10,104              | 40,383        |
| Central communications                 | 443,839       | 443,840       | 1                   | 309,138       |
| Other sales and services               | 346,549       | 359,777       | 13,228              | 358,590       |
| Total                                  | 1,736,298     | 1,759,631     | 23,333              | 1,555,993     |
| <b>Investment Earnings</b>             | 10,000        | 68,121        | 58,121              | 46,130        |
| <b>Miscellaneous</b>                   | 395,999       | 439,766       | 43,767              | 494,607       |
| Total revenues                         | 40,175,807    | 42,749,089    | 2,573,282           | 38,129,382    |
| <b>Expenditures:</b>                   |               |               |                     |               |
| <b>General Government:</b>             |               |               |                     |               |
| Governing body:                        |               |               |                     |               |
| Salaries and employee benefits         | 96,984        | 89,911        |                     | 91,945        |
| Operating expenditures                 | 107,352       | 98,285        |                     | 73,334        |
| Total                                  | 204,336       | 188,196       | 16,140              | 165,279       |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                                  | 2017      |           | Variance<br>Over/Under | 2016      |
|----------------------------------|-----------|-----------|------------------------|-----------|
|                                  | Budget    | Actual    |                        | Actual    |
| Administration:                  |           |           |                        |           |
| Salaries and employee benefits   | 573,244   | 491,919   |                        | 505,342   |
| Operating expenditures           | 43,300    | 37,547    |                        | 31,033    |
| Total                            | 616,544   | 529,466   | 87,078                 | 536,375   |
| Human resources:                 |           |           |                        |           |
| Salaries and employee benefits   | 292,702   | 289,538   |                        | 287,846   |
| Operating expenditures           | 27,491    | 16,053    |                        | 9,704     |
| Total                            | 320,193   | 305,591   | 14,602                 | 297,550   |
| Non-departmental expenditures:   |           |           |                        |           |
| Operating expenditures           | 2,147,881 | 1,589,615 |                        | 1,500,436 |
| Total                            | 2,147,881 | 1,589,615 | 558,266                | 1,500,436 |
| Finance:                         |           |           |                        |           |
| Salaries and employee benefits   | 438,265   | 424,845   |                        | 420,723   |
| Operating expenditures           | 30,050    | 25,190    |                        | 18,455    |
| Total                            | 468,315   | 450,035   | 18,280                 | 439,178   |
| Tax administration:              |           |           |                        |           |
| Salaries and employee benefits   | 981,994   | 961,102   |                        | 940,031   |
| Operating expenditures           | 266,883   | 147,836   |                        | 155,104   |
| Total                            | 1,248,877 | 1,108,938 | 139,939                | 1,095,135 |
| Revaluation:                     |           |           |                        |           |
| Salaries and employee benefits   | 105,349   | 102,048   |                        | 77,081    |
| Operating expenditures           | 336,036   | 25,288    |                        | 5,730     |
| Total                            | 441,385   | 127,336   | 314,049                | 82,811    |
| Legal:                           |           |           |                        |           |
| Salaries and employee benefits   | 187,712   | 187,711   |                        | 178,538   |
| Operating expenditures           | 67,993    | 50,263    |                        | 45,051    |
| Total                            | 255,705   | 237,974   | 17,731                 | 223,589   |
| Elections:                       |           |           |                        |           |
| Salaries and employee benefits   | 154,049   | 144,921   |                        | 149,455   |
| Operating expenditures           | 111,393   | 89,526    |                        | 115,681   |
| Capital outlay                   | 418       | -         |                        | -         |
| Total                            | 265,860   | 234,447   | 31,413                 | 265,136   |
| Register of Deeds:               |           |           |                        |           |
| Salaries and employee benefits   | 320,736   | 292,997   |                        | 301,589   |
| Operating expenditures           | 89,377    | 70,561    |                        | 72,977    |
| Capital outlay                   | 34,716    | 34,716    |                        | 27,562    |
| Total                            | 444,829   | 398,274   | 46,555                 | 402,128   |
| Information technology services: |           |           |                        |           |
| Salaries and employee benefits   | 243,590   | 243,590   |                        | 233,738   |
| Operating expenditures           | 262,428   | 225,491   |                        | 212,100   |
| Capital outlay                   | 97,631    | 39,524    |                        | 6,720     |
| Total                            | 603,649   | 508,605   | 95,044                 | 452,558   |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|   | 2017      |           |                        | 2016      |
|---|-----------|-----------|------------------------|-----------|
|   | Budget    | Actual    | Variance<br>Over/Under | Actual    |
| Maintenance and repairs - public buildings: |           |           |                        |           |
| Operating expenditures                      | 710,815   | 581,023   |                        | 472,578   |
| Capital outlay                              | 25,760    | 25,760    |                        | 5,975     |
| Total                                       | 736,575   | 606,783   | 129,792                | 478,553   |
| Operations:                                 |           |           |                        |           |
| Salaries and employee benefits              | 857,691   | 816,693   |                        | 803,088   |
| Operating expenditures                      | 111,262   | 72,683    |                        | 76,801    |
| Total                                       | 968,953   | 889,376   | 79,577                 | 879,889   |
| Other general government:                   |           |           |                        |           |
| Fuel center                                 | 7,593     | 5,724     | 1,869                  | 2,330     |
| Judicial services                           | 17,219    | 6,974     | 10,245                 | 14,789    |
| Magistrates                                 | 7,940     | 7,940     | -                      | 7,940     |
| Amphitheatre                                | 2,145     | -         | 2,145                  | -         |
| Public buildings                            | 11,090    | 9,247     | 1,843                  | 9,058     |
| Historic courthouse                         | 129,370   | 103,061   | 26,309                 | 86,985    |
| Criminal justice building                   | 10,820    | 10,355    | 465                    | 8,827     |
| Permits and inspections                     | 8,722     | 6,148     | 2,574                  | 5,708     |
| Community corrections building              | 16,802    | 11,911    | 4,891                  | 11,206    |
| Littleton building                          | 2,334     | 2,334     | -                      | 302       |
| Court service                               | 93,852    | 80,958    | 12,894                 | 82,180    |
| Rural Life complex                          | 17,400    | 14,648    | 2,752                  | 13,814    |
| Agriculture complex                         | 34,790    | 33,717    | 1,073                  | 30,991    |
| CADA  | 47,500    | 28,500    | 19,000                 | 19,000    |
| Total                                       | 407,577   | 321,517   | 86,060                 | 293,130   |
| Total general government                    | 9,130,679 | 7,496,153 | 1,634,526              | 7,111,747 |
| <b>Public Safety:</b>                       |           |           |                        |           |
| Sheriff's department:                       |           |           |                        |           |
| Salaries and employee benefits              | 3,915,652 | 3,882,934 |                        | 3,649,643 |
| Operating expenditures                      | 860,422   | 770,947   |                        | 760,144   |
| Capital outlay                              | 200,224   | 188,503   |                        | 103,099   |
| Total                                       | 4,976,298 | 4,842,384 | 133,914                | 4,512,886 |
| Jail:                                       |           |           |                        |           |
| Salaries and employee benefits              | 1,528,388 | 1,466,878 |                        | 1,450,091 |
| Operating expenditures                      | 1,238,807 | 1,113,164 |                        | 1,155,372 |
| Capital outlay                              | 141,465   | 82,319    |                        | 38,565    |
| Total                                       | 2,908,660 | 2,662,361 | 246,299                | 2,644,028 |
| Emergency management:                       |           |           |                        |           |
| Salaries and employee benefits              | 71,646    | 71,251    |                        | 51,161    |
| Operating expenditures                      | 22,819    | 13,493    |                        | 13,850    |
| Total                                       | 94,465    | 84,744    | 9,721                  | 65,011    |
| Central communications:                     |           |           |                        |           |
| Salaries and employee benefits              | 1,180,909 | 1,097,765 |                        | 1,130,995 |
| Operating expenditures                      | 129,725   | 78,359    |                        | 48,462    |
| Capital outlay                              | 29,000    | 29,000    |                        | -         |
| Total                                       | 1,339,634 | 1,205,124 | 134,510                | 1,179,457 |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017       |           | Variance<br>Over/Under | 2016      |
|--|------------|-----------|------------------------|-----------|
|  | Budget     | Actual    |                        | Actual    |
| Donations:   |            |           |                        |           |
| Fire departments and rescue squads                                   | 79,000     | 79,000    |                        | 79,000    |
| Total  | 79,000     | 79,000    | -                      | 79,000    |
| Planning and inspections:  |            |           |                        |           |
| Salaries and employee benefits                                       | 386,150    | 350,263   |                        | 364,924   |
| Operating expenditures   | 50,932     | 24,576    |                        | 30,532    |
| Capital outlay   | -          | -         |                        | 20,619    |
| Total  | 437,082    | 374,839   | 62,243                 | 416,075   |
| Other public safety:   |            |           |                        |           |
| Coroner  | 76,000     | 65,100    | 10,900                 | 37,900    |
| Other donations  | 25,500     | 25,500    | -                      | 25,000    |
| Controlled substance tax expenditures                                | 30,000     | 21,314    | 8,686                  | 17,757    |
| Drug task force expenditures   | 12,000     | -         | 12,000                 | -         |
| DTF - federal asset forfeiture                                       | 41,550     | 25,400    | 16,150                 | 49,817    |
| Emergency management supplement                                      | 82,805     | 17,231    | 65,574                 | 57,578    |
| Governor's Crime Commission: Internet Crimes Against Children (ICAC) | 17,657     | 17,657    | -                      | 19,483    |
| Governor's Crime Commission: Gang Task Force Grant                   | 96,855     | 63,301    | 33,554                 | 36,984    |
| Total  | 382,367    | 235,503   | 146,864                | 244,519   |
| Total public safety  | 10,217,506 | 9,483,955 | 733,551                | 9,140,976 |
| <b>Economic and Physical Development:</b>                            |            |           |                        |           |
| Halifax developmental commission:                                    |            |           |                        |           |
| Salaries and employee benefits                                       | 177,953    | 176,655   |                        | 170,781   |
| Operating expenditures   | 97,543     | 83,770    |                        | 87,020    |
| Total  | 275,496    | 260,425   | 15,071                 | 257,801   |
| Tourism:   |            |           |                        |           |
| Salaries and employee benefits                                       | 4,830      | 4,830     |                        | 4,723     |
| Capital outlay   | 183,333    | 183,333   |                        | -         |
| Total  | 188,163    | 188,163   | -                      | 4,723     |
| Cooperative extension office:  |            |           |                        |           |
| Salaries and employee benefits                                       | 216,657    | 215,948   |                        | 176,791   |
| Operating expenditures   | 47,811     | 37,111    |                        | 37,787    |
| Total  | 264,468    | 253,059   | 11,409                 | 214,578   |
| Rural life education:  |            |           |                        |           |
| Salaries and employee benefits                                       | 46,875     | 46,875    |                        | 42,344    |
| Operating expenditures   | 25,692     | 25,327    |                        | 29,501    |
| Total  | 72,567     | 72,202    | 365                    | 71,845    |
| Natural resource conservation:                                       |            |           |                        |           |
| Salaries and employee benefits                                       | 152,376    | 144,835   |                        | 106,467   |
| Operating expenditures   | 21,361     | 11,888    |                        | 7,632     |
| Total  | 173,737    | 156,723   | 17,014                 | 114,099   |
| Other economic and physical development:                             |            |           |                        |           |
| 4-H clubs  | 32,263     | 26,129    | 6,134                  | 9,995     |
| County extension   | 22,033     | 8,032     | 14,001                 | 5,367     |
| Extension agent program  | 23,578     | 3,225     | 20,353                 | 2,278     |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017             |                  |                        | 2016             |
|--|------------------|------------------|------------------------|------------------|
|  | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| Boards and commissions                       | 600              | 79               | 521                    | 1,373            |
| Forestry protection                          | 110,000          | 101,807          | 8,193                  | 105,029          |
| Other donations                              | 28,731           | 28,731           | -                      | 29,269           |
| No-Till Drill program                        | 5,943            | 636              | 5,307                  | 1,137            |
| CREP   | 12,552           | 656              | 11,896                 | 1,224            |
| Halifax Helps grant                          | 1,248            | 3,200            | (1,952)                | 77               |
| Soil Health program                          | 5,218            | -                | 5,218                  | 1,259            |
| Market-Based Conservation Initiative program | 10,725           | -                | 10,725                 | -                |
| Co-op Monsanto grant                         | 2,250            | 1,600            | 650                    | -                |
| Economic development incentive               | 1,334,445        | 526,165          | 808,280                | 54,915           |
| Farmers Market                               | 6,730            | 5,709            | 1,021                  | 6,761            |
| Natural Resource Equipment grant             | 59,219           | -                | 59,219                 | -                |
| Farm in Ranchland management                 | 12,000           | -                | 12,000                 | -                |
| Operation Purple Camp                        | 2,593            | -                | 2,593                  | -                |
| Total  | <u>1,670,128</u> | <u>705,969</u>   | <u>964,159</u>         | <u>218,684</u>   |
| Total economic and physical development      | <u>2,644,559</u> | <u>1,636,541</u> | <u>1,008,018</u>       | <u>881,730</u>   |
| <b>Human Services:</b>                       |                  |                  |                        |                  |
| Elderly transportation:                      |                  |                  |                        |                  |
| Operating expenses                           | <u>178,793</u>   | <u>178,791</u>   |                        | <u>159,188</u>   |
| Total  | <u>178,793</u>   | <u>178,791</u>   | <u>2</u>               | <u>159,188</u>   |
| Supplemental foods:                          |                  |                  |                        |                  |
| Salaries and employee benefits               | 41,219           | 36,721           |                        | 91,283           |
| Operating expenditures                       | 15,032           | 13,488           |                        | 28,813           |
| USDA commodity foods                         | <u>113,199</u>   | <u>113,157</u>   |                        | <u>156,152</u>   |
| Total  | <u>169,450</u>   | <u>163,366</u>   | <u>6,084</u>           | <u>276,248</u>   |
| Aging program coordinator:                   |                  |                  |                        |                  |
| Operating expenditures                       | <u>6,623</u>     | <u>4,115</u>     |                        | <u>-</u>         |
| Total  | <u>6,623</u>     | <u>4,115</u>     | <u>2,508</u>           | <u>-</u>         |
| Other human services:                        |                  |                  |                        |                  |
| Mental health admin                          | 32,531           | 31,939           | 592                    | 30,346           |
| Operation Restart                            | 211,837          | 211,197          | 640                    | 161,366          |
| JCPC Advisory Board                          | 2,916            | 2,916            | -                      | 1,398            |
| JCPC grant                                   | 25,248           | 25,248           | -                      | 44,227           |
| Other donations                              | 1,500            | 1,500            | -                      | 1,500            |
| Pesticide recycling                          | 6,709            | -                | 6,709                  | -                |
| Home and Community Block grant               | 303,736          | 300,768          | 2,968                  | 305,996          |
| Council On Aging                             | 20,064           | 18,826           | 1,238                  | 16,534           |
| Aging-SHIIP Mini Grant                       | 1,300            | 1,227            | 73                     | -                |
| Senior Health insurance program              | 3,691            | 3,675            | 16                     | -                |
| CJPP/Day reporting                           | 239              | 142              | 97                     | -                |
| Adult literacy grant                         | 5,000            | 1,540            | 3,460                  | -                |
| Other human services                         | 3,760            | 3,515            | 245                    | -                |
| Bulletproof Vest grant                       | 4,946            | 4,939            | 7                      | 3,914            |
| Teen court                                   | 6,181            | 6,181            | -                      | 46,416           |
| Co-op student incentive                      | 73,421           | 73,039           | 382                    | 80,507           |
| Total  | <u>703,079</u>   | <u>686,652</u>   | <u>16,427</u>          | <u>731,984</u>   |
| Total human services                         | <u>1,057,945</u> | <u>1,032,924</u> | <u>25,021</u>          | <u>1,167,420</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|   | 2017               |                      | Variance<br>Over/Under | 2016                 |
|---|--------------------|----------------------|------------------------|----------------------|
|   | Budget             | Actual               |                        | Actual               |
| <b>Cultural and Recreational:</b>       |                    |                      |                        |                      |
| Library:                                |                    |                      |                        |                      |
| Salaries and employee benefits          | 500,814            | 486,271              |                        | 485,930              |
| Operating expenditures                  | <u>130,955</u>     | <u>117,714</u>       |                        | <u>93,369</u>        |
| Total                                   | <u>631,769</u>     | <u>603,985</u>       | 27,784                 | <u>579,299</u>       |
| Other cultural and recreational:        |                    |                      |                        |                      |
| Other donations                         | 1,000              | 1,000                |                        | 1,000                |
| Weed control                            | -                  | -                    |                        | <u>75,000</u>        |
| Total                                   | <u>1,000</u>       | <u>1,000</u>         | -                      | <u>76,000</u>        |
| Total cultural and recreational         | <u>632,769</u>     | <u>604,985</u>       | 27,784                 | <u>655,299</u>       |
| <b>Education:</b>                       |                    |                      |                        |                      |
| Public schools - current expenses       | 5,507,743          | 5,497,332            |                        | 5,771,748            |
| Public schools - capital outlay         | 1,486,106          | 1,399,106            |                        | 1,650,506            |
| Community colleges - current expenses   | 1,052,851          | 1,052,851            |                        | 1,116,364            |
| Community colleges - capital outlay     | 273,127            | 273,127              |                        | 428,956              |
| ADM - Public School Building Fund       | <u>1,209,609</u>   | <u>848,326</u>       |                        | <u>350,018</u>       |
| Total education                         | <u>9,529,436</u>   | <u>9,070,742</u>     | 458,694                | <u>9,317,592</u>     |
| <b>Debt Service:</b>                    |                    |                      |                        |                      |
| Principal                               | 2,948,742          | 2,781,537            |                        | 1,517,099            |
| Interest                                | <u>1,171,146</u>   | <u>1,144,772</u>     |                        | <u>798,192</u>       |
| Total debt service                      | <u>4,119,888</u>   | <u>3,926,309</u>     | 193,579                | <u>2,315,291</u>     |
| Total expenditures                      | <u>37,332,782</u>  | <u>33,251,609</u>    | 4,081,173              | <u>30,590,055</u>    |
| Revenues over (under) expenditures      | <u>2,843,025</u>   | <u>9,497,480</u>     | 6,654,455              | <u>7,539,327</u>     |
| <b>Other Financing Sources (Uses):</b>  |                    |                      |                        |                      |
| Intrafund transfers in (out)            | (6,819,905)        | (6,819,904)          | 1                      | (9,938,591)          |
| Transfers in:                           |                    |                      |                        |                      |
| Internal Service Fund                   | 246,500            | 246,500              | -                      | 246,500              |
| Capital Projects Fund                   | 66,885             | 66,886               | 1                      | -                    |
| Transfers out:                          |                    |                      |                        |                      |
| Special Revenue Fund                    | (172,848)          | (172,848)            | -                      | -                    |
| Capital Projects Fund                   | (830,005)          | (830,005)            | -                      | (54,130)             |
| Internal Service Fund                   | -                  | -                    | -                      | (900,000)            |
| Refunding issued                        | 12,105,000         | 12,005,000           | (100,000)              | -                    |
| Payment to escrow agent                 | (11,899,646)       | (11,899,646)         | -                      | -                    |
| Installment purchase obligations issued | 258,000            | 258,000              | -                      | -                    |
| Appropriated fund balance               | <u>4,202,994</u>   | -                    | (4,202,994)            | -                    |
| Total other financing sources (uses)    | <u>(2,843,025)</u> | <u>(7,146,017)</u>   | (4,302,992)            | <u>(10,646,221)</u>  |
| Net change in fund balance              | <u>\$ -</u>        | 2,351,463            | <u>\$ 2,351,463</u>    | (3,106,894)          |
| <b>Fund Balance:</b>                    |                    |                      |                        |                      |
| Beginning of year - July 1              |                    | <u>13,989,238</u>    |                        | <u>17,065,099</u>    |
| End of year - June 30                   |                    | <u>\$ 16,340,701</u> |                        | <u>\$ 13,989,238</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|                                | 2017             |                  | Variance<br>Over/(Under) | 2016             |
|--------------------------------|------------------|------------------|--------------------------|------------------|
|                                | Budget           | Actual           |                          | Actual           |
| <b>Revenues:</b>               |                  |                  |                          |                  |
| Restricted intergovernmental   | \$ 4,517,409     | \$ 4,458,026     | \$ (59,383)              | \$ 4,737,829     |
| Sales and services             | 16,481           | 16,481           | -                        | 11,146           |
| Miscellaneous revenue          | 4,700            | 8,143            | 3,443                    | 16,004           |
| Total revenues                 | <u>4,538,590</u> | <u>4,482,650</u> | <u>(55,940)</u>          | <u>4,764,979</u> |
| <b>Expenditures:</b>           |                  |                  |                          |                  |
| <b>Human Services:</b>         |                  |                  |                          |                  |
| General:                       |                  |                  |                          |                  |
| Salaries and employee benefits | 411,345          | 268,321          |                          | 179,616          |
| Operating expenditures         | 400,771          | 86,313           |                          | 142,495          |
| Capital outlay                 | 16,300           | 16,300           |                          | -                |
| Total                          | <u>828,416</u>   | <u>370,934</u>   | <u>457,482</u>           | <u>322,111</u>   |
| Animal control:                |                  |                  |                          |                  |
| Salaries and employee benefits | 203,345          | 203,326          |                          | 155,775          |
| Operating expenditures         | 58,635           | 47,167           |                          | 48,247           |
| Capital outlay                 | 750              | -                |                          | -                |
| Total                          | <u>262,730</u>   | <u>250,493</u>   | <u>12,237</u>            | <u>204,022</u>   |
| AIDS control:                  |                  |                  |                          |                  |
| Salaries and employee benefits | 222,665          | 222,081          |                          | 245,672          |
| Operating expenditures         | 8,718            | 6,808            |                          | 11,838           |
| Total                          | <u>231,383</u>   | <u>228,889</u>   | <u>2,494</u>             | <u>257,510</u>   |
| Tuberculosis control:          |                  |                  |                          |                  |
| Salaries and employee benefits | 95,693           | 94,439           |                          | 74,906           |
| Operating expenditures         | 210,981          | 16,217           |                          | 23,573           |
| Capital outlay                 | 4,500            | 4,500            |                          | 4,132            |
| Total                          | <u>311,174</u>   | <u>115,156</u>   | <u>196,018</u>           | <u>102,611</u>   |
| Communicable disease:          |                  |                  |                          |                  |
| Salaries and employee benefits | 53,994           | 49,244           |                          | 35,204           |
| Operating expenditures         | 93,164           | 4,443            |                          | 4,495            |
| Capital outlay                 | 4,200            | 4,200            |                          | -                |
| Total                          | <u>151,358</u>   | <u>57,887</u>    | <u>93,471</u>            | <u>39,699</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                                | 2017      |           | Variance<br>Over/(Under) | 2016      |
|--------------------------------|-----------|-----------|--------------------------|-----------|
|                                | Budget    | Actual    |                          | Actual    |
| Home health:                   |           |           |                          |           |
| Salaries and employee benefits | 637,895   | 597,425   |                          | 618,861   |
| Operating expenditures         | 665,609   | 424,021   |                          | 430,645   |
| Capital outlay                 | 27,000    | 20,552    |                          | -         |
| Total                          | 1,330,504 | 1,041,998 | 288,506                  | 1,049,506 |
| Hospice:                       |           |           |                          |           |
| Salaries and employee benefits | 255,653   | 225,192   |                          | 280,252   |
| Operating expenditures         | 105,778   | 89,150    |                          | 81,875    |
| Capital outlay                 | 7,400     | 6,837     |                          | 2,135     |
| Total                          | 368,831   | 321,179   | 47,652                   | 364,262   |
| Adult health/diabetes:         |           |           |                          |           |
| Salaries and employee benefits | 132,593   | 64,859    |                          | 87,440    |
| Operating expenditures         | 401,181   | 59,301    |                          | 64,514    |
| Capital outlay                 | 29,771    | 29,771    |                          | -         |
| Total                          | 563,545   | 153,931   | 409,614                  | 151,954   |
| Maternity:                     |           |           |                          |           |
| Salaries and employee benefits | 260,484   | 194,697   |                          | 211,715   |
| Operating expenditures         | 758,717   | 72,730    |                          | 73,864    |
| Capital outlay                 | 8,220     | 8,220     |                          | -         |
| Total                          | 1,027,421 | 275,647   | 751,774                  | 285,579   |
| Family planning:               |           |           |                          |           |
| Salaries and employee benefits | 381,338   | 333,940   |                          | 363,132   |
| Operating expenditures         | 1,339,752 | 126,725   |                          | 152,092   |
| Capital outlay                 | 11,000    | 11,000    |                          | -         |
| Total                          | 1,732,090 | 471,665   | 1,260,425                | 515,224   |
| Child services coordinator:    |           |           |                          |           |
| Salaries and employee benefits | 81,678    | 80,907    |                          | 95,045    |
| Operating expenditures         | 268,409   | 8,143     |                          | 9,375     |
| Total                          | 350,087   | 89,050    | 261,037                  | 104,420   |
| Child health:                  |           |           |                          |           |
| Salaries and employee benefits | 331,521   | 206,767   |                          | 238,525   |
| Operating expenditures         | 539,832   | 82,040    |                          | 120,536   |
| Capital outlay                 | 7,000     | 7,000     |                          | -         |
| Total                          | 878,353   | 295,807   | 582,546                  | 359,061   |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|   | 2017        |             | Variance<br>Over/(Under) | 2016        |
|---|-------------|-------------|--------------------------|-------------|
|   | Budget      | Actual      |                          | Actual      |
| Environmental health:                           |             |             |                          |             |
| Salaries and employee benefits                  | 442,381     | 442,128     |                          | 497,957     |
| Operating expenditures                          | 25,051      | 18,266      |                          | 15,344      |
| Total   | 467,432     | 460,394     | 7,038                    | 513,301     |
| Other human services:                           |             |             |                          |             |
| Bioterrorism                                    | 41,243      | 41,243      | -                        | 45,007      |
| Triple P  | 509,594     | 508,717     | 877                      | 209,746     |
| Diabetes  | 44,667      | 9,574       | 35,093                   | 23,185      |
| BCCCP   | 29,402      | 14,688      | 14,714                   | 13,908      |
| CVD/Breast cancer                               | 17,609      | 7,982       | 9,627                    | 7,013       |
| Folic Acid grant                                | 172,571     | 167,424     | 5,147                    | 185,329     |
| Immunization action plan                        | 399,599     | 87,163      | 312,436                  | 83,030      |
| Baby Love Plus                                  | 158,295     | 158,250     | 45                       | 155,260     |
| Health working and wellness                     | 40,768      | 34,615      | 6,153                    | 34,689      |
| Weldon SNFI school nurse                        | 100,000     | 100,000     | -                        | 100,000     |
| RR SNFI school nurse                            | 150,000     | 150,000     | -                        | 150,000     |
| Healthy community program                       | 35,892      | 29,605      | 6,287                    | 36,766      |
| NC cancer program                               | -           | -           | -                        | 2,050       |
| Catch grant                                     | 207,639     | 167,320     | 40,319                   | 165,607     |
| Lazarus   | 1,501       | 1,499       | 2                        | 9,999       |
| Serve Safe                                      | 11,281      | 3,347       | 7,934                    | 5,576       |
| Capital outlay - child and environmental health | 10,000      | 10,000      | -                        | 8,963       |
| WIC - Administration                            | 17,809      | 17,693      | 116                      | 7,863       |
| WIC - Breastfeeding                             | 29,447      | 29,335      | 112                      | 16,737      |
| WIC - Client services                           | 199,164     | 197,045     | 2,119                    | 192,288     |
| WIC - Nutrition education                       | 78,835      | 78,549      | 286                      | 94,156      |
| Smart Start                                     | 13,014      | 13,014      | -                        | 11,060      |
| Partnetship in Community Health                 | 3,000       | 3,000       | -                        | 4,750       |
| Ebola   | 21,073      | 21,073      | -                        | 4,242       |
| Babies Easy Safe Sleep Training Program         | 67,463      | 67,463      | -                        | 63,309      |
| Child Health - BESST AA                         | 77,870      | 77,870      | -                        | -           |
| Child Health - ADA DEL AA                       | 14,722      | 13,425      | 1,297                    | -           |
| KBR - WIC Grant                                 | 10,000      | 992         | 9,008                    | -           |
| Total   | 2,462,458   | 2,010,886   | 451,572                  | 1,682,665   |
| Total human services                            | 10,965,782  | 6,143,916   | 4,821,866                | 5,951,925   |
| Revenues over (under) expenditures              | (6,427,192) | (1,661,266) | 4,765,926                | (1,186,946) |

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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017             |                     |                          | 2016                |
|--|------------------|---------------------|--------------------------|---------------------|
|  | Budget           | Actual              | Variance<br>Over/(Under) | Actual              |
| <b>Other Financing Sources (Uses):</b> |                  |                     |                          |                     |
| Intrafund transfers in (out)           | 1,218,531        | 1,218,531           | -                        | 2,168,837           |
| Appropriated fund balance              | <u>5,208,661</u> | <u>-</u>            | <u>(5,208,661)</u>       | <u>-</u>            |
| Total other financing sources (uses)   | <u>6,427,192</u> | <u>1,218,531</u>    | <u>(5,208,661)</u>       | <u>2,168,837</u>    |
| Net change in fund balance             | <u>\$ -</u>      | <u>(442,735)</u>    | <u>\$ (442,735)</u>      | 981,891             |
| <b>Fund Balance:</b>                   |                  |                     |                          |                     |
| Beginning of year - July 1             |                  | <u>5,349,889</u>    |                          | <u>4,367,998</u>    |
| End of year - June 30                  |                  | <u>\$ 4,907,154</u> |                          | <u>\$ 5,349,889</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|                                     | 2017              |                   | Variance<br>Over/Under | 2016              |
|-------------------------------------|-------------------|-------------------|------------------------|-------------------|
|                                     | Budget            | Actual            |                        | Actual            |
| <b>Revenues:</b>                    |                   |                   |                        |                   |
| Restricted intergovernmental        | \$ 10,371,339     | \$ 10,476,262     | \$ 104,923             | \$ 10,236,448     |
| Permits and fees                    | -                 | 4,757             | 4,757                  | 4,735             |
| Miscellaneous revenue               | -                 | 6                 | 6                      | 4,072             |
| Total revenues                      | <u>10,371,339</u> | <u>10,481,025</u> | <u>109,686</u>         | <u>10,245,255</u> |
| <b>Expenditures:</b>                |                   |                   |                        |                   |
| <b>Human Services:</b>              |                   |                   |                        |                   |
| General:                            |                   |                   |                        |                   |
| Salaries and employee benefits      | 8,964,799         | 8,651,660         |                        | 8,351,954         |
| Operating expenditures              | 1,184,818         | 689,123           |                        | 751,196           |
| Capital outlay                      | 221,381           | 178,781           |                        | 15,901            |
| Total                               | <u>10,370,998</u> | <u>9,519,564</u>  | <u>851,434</u>         | <u>9,119,051</u>  |
| Other human services:               |                   |                   |                        |                   |
| Fees and refunds                    | 33,666            | 9,769             | 23,897                 | 11,362            |
| Family planning                     | 10,000            | 8,320             | 1,680                  | 5,980             |
| Chore services                      | 11,177            | 10,915            | 262                    | 10,714            |
| Daycare                             | 2,327,306         | 2,297,979         | 29,327                 | 2,115,212         |
| Work First                          | 325,000           | 214,658           | 110,342                | 212,096           |
| Purchased services                  | 69,000            | 44,641            | 24,359                 | 57,807            |
| 4D-purchase                         | 274,625           | 57,151            | 217,474                | 13,763            |
| Medicaid                            | 707,273           | 399,111           | 308,162                | 463,661           |
| Social services to the aged         | 700,227           | 700,227           | -                      | 627,546           |
| CBA foster care                     | 373,000           | 189,195           | 183,805                | 284,536           |
| Adoptive assistance                 | 79,038            | 75,279            | 3,759                  | 72,507            |
| LIEAP program                       | 347,913           | 347,500           | 413                    | 422,700           |
| Crisis intervention                 | 347,913           | 344,338           | 3,575                  | 415,733           |
| CP&L energy                         | 4,928             | 1,739             | 3,189                  | 5,524             |
| Special foster care                 | 20,000            | 11,382            | 8,618                  | 4,043             |
| Home and Community Care Block grant | 294,748           | 294,747           | 1                      | 292,994           |
| Family reunification                | 10,591            | 200               | 10,391                 | 9,450             |
| Aid to the blind                    | 7,036             | 6,991             | 45                     | 6,986             |
| Shift NC Program                    | 27,198            | 18,016            | 9,182                  | 11,802            |
| Adoption Promotion                  | 19,715            | 10,474            | 9,241                  | 5,485             |
| Total                               | <u>5,990,354</u>  | <u>5,042,632</u>  | <u>947,722</u>         | <u>5,049,901</u>  |
| Total human services                | <u>16,361,352</u> | <u>14,562,196</u> | <u>1,799,156</u>       | <u>14,168,952</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, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|  | <u>2017</u>        |                     |                                | <u>2016</u>         |
|--|--------------------|---------------------|--------------------------------|---------------------|
|  | <u>Budget</u>      | <u>Actual</u>       | <u>Variance<br/>Over/Under</u> | <u>Actual</u>       |
| Revenues over (under) expenditures     | <u>(5,990,013)</u> | <u>(4,081,171)</u>  | <u>1,908,842</u>               | <u>(3,923,697)</u>  |
| <b>Other Financing Sources (Uses):</b> |                    |                     |                                |                     |
| Intrafund transfers in (out)           | 3,203,303          | 3,203,303           | -                              | 5,618,663           |
| Appropriated fund balance              | <u>2,786,710</u>   | <u>-</u>            | <u>(2,786,710)</u>             | <u>-</u>            |
| Total other financing sources (uses)   | <u>5,990,013</u>   | <u>3,203,303</u>    | <u>(2,786,710)</u>             | <u>5,618,663</u>    |
| Net change in fund balance             | <u>\$ -</u>        | <u>(877,868)</u>    | <u>\$ (877,868)</u>            | 1,694,966           |
| <b>Fund Balance:</b>                   |                    |                     |                                |                     |
| Beginning of year - July 1             |                    | <u>4,471,221</u>    |                                | <u>2,776,255</u>    |
| End of year - June 30                  |                    | <u>\$ 3,593,353</u> |                                | <u>\$ 4,471,221</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017               |                     |                        | 2016                |
|--|--------------------|---------------------|------------------------|---------------------|
|  | Budget             | Actual              | Variance<br>Over/Under | Actual              |
| <b>Revenues:</b>                       |                    |                     |                        |                     |
| Restricted intergovernmental revenues  | \$ 219,263         | \$ 577,867          | \$ 358,604             | \$ 571,151          |
| Sales and services                     | 2,887,809          | 2,588,388           | (299,421)              | 2,310,215           |
| Miscellaneous revenue                  | 32,259             | 40,374              | 8,115                  | 3,147               |
| Total revenues                         | <u>3,139,331</u>   | <u>3,206,629</u>    | <u>67,298</u>          | <u>2,884,513</u>    |
| <b>Expenditures:</b>                   |                    |                     |                        |                     |
| <b>Public Safety:</b>                  |                    |                     |                        |                     |
| General:                               |                    |                     |                        |                     |
| Salaries and employee benefits         | 4,379,776          | 4,371,141           |                        | 4,210,859           |
| Operating expenditures                 | 1,019,029          | 789,438             |                        | 762,661             |
| Capital outlay                         | 240,695            | 130,541             |                        | 273,958             |
| Total                                  | <u>5,639,500</u>   | <u>5,291,120</u>    | <u>348,380</u>         | <u>5,247,478</u>    |
| <b>Debt Service:</b>                   |                    |                     |                        |                     |
| Principal                              | 89,982             | 89,982              |                        | 88,713              |
| Interest                               | 2,592              | 2,592               |                        | 3,860               |
| Total debt service                     | <u>92,574</u>      | <u>92,574</u>       | <u>-</u>               | <u>92,573</u>       |
| Total expenditures                     | <u>5,732,074</u>   | <u>5,383,694</u>    | <u>348,380</u>         | <u>5,340,051</u>    |
| Revenues over (under) expenditures     | <u>(2,592,743)</u> | <u>(2,177,065)</u>  | <u>(415,678)</u>       | <u>(2,455,538)</u>  |
| <b>Other Financing Sources (Uses):</b> |                    |                     |                        |                     |
| Intrafund transfers in (out)           | 2,498,048          | 2,500,456           | 2,408                  | 2,203,477           |
| Transfers from (to) other funds:       |                    |                     |                        |                     |
| Appropriated fund balance              | 94,695             | -                   | (94,695)               | -                   |
| Total other financing sources (uses)   | <u>2,592,743</u>   | <u>2,500,456</u>    | <u>(92,287)</u>        | <u>2,203,477</u>    |
| Net change in fund balance             | <u>\$ -</u>        | <u>323,391</u>      | <u>\$ 323,391</u>      | <u>(252,061)</u>    |
| <b>Fund Balance:</b>                   |                    |                     |                        |                     |
| Beginning of year - July 1             |                    | <u>1,504,632</u>    |                        | <u>1,756,693</u>    |
| End of year - June 30                  |                    | <u>\$ 1,828,023</u> |                        | <u>\$ 1,504,632</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017      |            |                        | 2016       |
|--|-----------|------------|------------------------|------------|
|  | Budget    | Actual     | Variance<br>Over/Under | Actual     |
| <b>Revenues:</b>                       |           |            |                        |            |
| Investment earnings                    | \$ -      | \$ 1,486   | \$ 1,486               | \$ 1,061   |
| Revenues over (under) expenditures     | -         | 1,486      | 1,486                  | 1,061      |
| <b>Other Financing Sources (Uses):</b> |           |            |                        |            |
| Transfer in - General Fund             | 150,000   | 150,000    | -                      | 150,000    |
| Transfer out - General Fund            | (252,386) | (252,386)  | -                      | (252,386)  |
| Appropriated fund balance              | 102,386   | -          | (102,386)              | -          |
| Total other financing sources (uses)   | -         | (102,386)  | (102,386)              | (102,386)  |
| Net change in fund balance             | \$ -      | (100,900)  | \$ (100,900)           | (101,325)  |
| <b>Fund Balance:</b>                   |           |            |                        |            |
| Beginning of year - July 1             |           | 646,014    |                        | 747,339    |
| End of year - June 30                  |           | \$ 545,114 |                        | \$ 646,014 |

## **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, 2017**

|   | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          | <u>Variance<br/>Over/Under</u> |
|---|----------------------------------|------------------------|-------------------------|--------------------------|--------------------------------|
|   |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |                                |
| <b>Revenues:</b>                              |                                  |                        |                         |                          |                                |
| Investment earnings                           | \$ -                             | \$ 178                 | \$ 1,552                | \$ 1,730                 | \$ 1,730                       |
| <b>Expenditures:</b>                          |                                  |                        |                         |                          |                                |
| Education:                                    |                                  |                        |                         |                          |                                |
| Constriction                                  | 17,328,356                       | -                      | 9,500,479               | 9,500,479                | 7,827,877                      |
| Administration                                | 250,000                          | -                      | -                       | -                        | 250,000                        |
| Legal fees                                    | 100,000                          | 22,052                 | 56,395                  | 78,447                   | 21,553                         |
| Design fees                                   | 1,251,355                        | 760,098                | 139,649                 | 899,747                  | 351,608                        |
| Contingency                                   | 170,289                          | -                      | -                       | -                        | 170,289                        |
| Total expenditures                            | <u>19,100,000</u>                | <u>782,150</u>         | <u>9,696,523</u>        | <u>10,478,673</u>        | <u>8,621,327</u>               |
| Revenues over (under) expenditures            | <u>(19,100,000)</u>              | <u>(781,972)</u>       | <u>(9,694,971)</u>      | <u>(10,476,943)</u>      | <u>8,623,057</u>               |
| <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 | <u>1,000,000</u>                 | <u>1,000,000</u>       | <u>-</u>                | <u>1,000,000</u>         | <u>-</u>                       |
| Total other financing sources (uses)          | <u>19,100,000</u>                | <u>19,100,000</u>      | <u>-</u>                | <u>19,100,000</u>        | <u>-</u>                       |
| Net change in fund balance                    | <u>\$ -</u>                      | <u>\$ 18,318,028</u>   | <u>\$ (9,694,971)</u>   | <u>\$ 8,623,057</u>      | <u>\$ 8,623,057</u>            |

## 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, 2017

|  | Project<br>Authorization | Actual           |                   | Total<br>to Date  | Variance<br>Over/Under |
|--|--------------------------|------------------|-------------------|-------------------|------------------------|
|  |                          | Prior<br>Years   | Current<br>Year   |                   |                        |
| <b>Revenues:</b>                       |                          |                  |                   |                   |                        |
| Restricted intergovernmental:          |                          |                  |                   |                   |                        |
| NC Department of Commerce              | \$ 1,201,960             | \$ 617,580       | \$ 382,420        | \$ 1,000,000      | \$ (201,960)           |
| NC Department of Transportation        | 1,200,000                | 1,128,360        | -                 | 1,128,360         | (71,640)               |
| US Department of Commerce              | 1,400,000                | -                | 1,400,000         | 1,400,000         | -                      |
| NC Rural Development Center            | 872,000                  | -                | 872,000           | 872,000           | -                      |
| Contributions                          | 1,524,470                | 1,405,688        | -                 | 1,405,688         | (118,782)              |
| Total revenues                         | <u>6,198,430</u>         | <u>3,151,628</u> | <u>2,654,420</u>  | <u>5,806,048</u>  | <u>(392,382)</u>       |
| <b>Expenditures:</b>                   |                          |                  |                   |                   |                        |
| Economic development:                  |                          |                  |                   |                   |                        |
| Site preparation                       | 6,893,970                | 6,705,186        | 23,452            | 6,728,638         | 165,332                |
| Road construction                      | 1,225,021                | 1,220,241        | -                 | 1,220,241         | 4,780                  |
| Administration                         | 678,908                  | 538,803          | 139,415           | 678,218           | 690                    |
| Sewer line                             | 505,200                  | 290,954          | 169,622           | 460,576           | 44,624                 |
| Rail spur                              | 2,669,728                | 525,081          | 2,073,769         | 2,598,850         | 70,878                 |
| Contingency                            | 325,791                  | -                | -                 | -                 | 325,791                |
| Total expenditures                     | <u>12,298,618</u>        | <u>9,280,265</u> | <u>2,406,258</u>  | <u>11,686,523</u> | <u>612,095</u>         |
| Revenues over (under) expenditures     | (6,100,188)              | (6,128,637)      | 248,162           | (5,880,475)       | 219,713                |
| <b>Other Financing Sources (Uses):</b> |                          |                  |                   |                   |                        |
| Transfer in                            | <u>6,100,188</u>         | <u>6,144,807</u> | <u>-</u>          | <u>6,144,807</u>  | <u>44,619</u>          |
| Net change in fund balance             | <u>\$ -</u>              | <u>\$ 16,170</u> | <u>\$ 248,162</u> | <u>\$ 264,332</u> | <u>\$ 264,332</u>      |

**COMBINING STATEMENTS FOR NONMAJOR FUNDS**



This page left intentionally blank

# HALIFAX COUNTY, NORTH CAROLINA

## NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2017

|   | <b>Nonmajor</b>                  |                                  |                     |
|---|----------------------------------|----------------------------------|---------------------|
|   | <b>Special<br/>Revenue Funds</b> | <b>Capital<br/>Project Funds</b> | <b>Total</b>        |
| <b>Assets:</b>  |                                  |                                  |                     |
| Cash and cash equivalents   | \$ 504,011                       | \$ 90,978                        | \$ 594,989          |
| Accounts receivable   | 167,212                          | 35,436                           | 202,648             |
| Due from other governments  | 25,603                           | -                                | 25,603              |
| Taxes receivable, net   | 260,179                          | -                                | 260,179             |
| Total assets  | <u>\$ 957,005</u>                | <u>\$ 126,414</u>                | <u>\$ 1,083,419</u> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |                                  |                                  |                     |
| <b>Liabilities:</b>   |                                  |                                  |                     |
| Accounts payable  | \$ 211,830                       | \$ 63,582                        | \$ 275,412          |
| Total liabilities   | <u>211,830</u>                   | <u>63,582</u>                    | <u>275,412</u>      |
| <b>Deferred Inflows of Resources:</b>                                     |                                  |                                  |                     |
| Taxes receivable  | <u>260,179</u>                   | <u>-</u>                         | <u>260,179</u>      |
| <b>Fund Balances:</b>   |                                  |                                  |                     |
| Restricted:   |                                  |                                  |                     |
| Stabilization by State statute  | 192,815                          | 35,436                           | 228,251             |
| Public safety   | 432,927                          | -                                | 432,927             |
| Committed   | -                                | 27,396                           | 27,396              |
| Unassigned  | <u>(140,746)</u>                 | <u>-</u>                         | <u>(140,746)</u>    |
| Total fund balances   | <u>484,996</u>                   | <u>62,832</u>                    | <u>547,828</u>      |
| Total liabilities, deferred inflows of<br>resources, and fund balances    | <u>\$ 957,005</u>                | <u>\$ 126,414</u>                | <u>\$ 1,083,419</u> |

## HALIFAX COUNTY, NORTH CAROLINA

### NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

|  | Nonmajor                    |                             |                    |
|--|-----------------------------|-----------------------------|--------------------|
|  | Special<br>Revenue<br>Funds | Capital<br>Project<br>Funds | Total              |
| <b>Revenues:</b>                       |                             |                             |                    |
| Ad valorem taxes                       | \$ 4,932,992                | \$ -                        | \$ 4,932,992       |
| Other taxes and licenses               | 525,148                     | -                           | 525,148            |
| Restricted intergovernmental revenues  | 317,593                     | 87,277                      | 404,870            |
| Investment earnings                    | 7,215                       | 5                           | 7,220              |
| Total revenues                         | <u>5,782,948</u>            | <u>87,282</u>               | <u>5,870,230</u>   |
| <b>Expenditures:</b>                   |                             |                             |                    |
| Current:                               |                             |                             |                    |
| Public safety                          | 2,115,418                   | -                           | 2,115,418          |
| Education                              | 3,402,240                   | -                           | 3,402,240          |
| Economic and physical development      | -                           | 971,414                     | 971,414            |
| Human services                         | 475,344                     | -                           | 475,344            |
| Total expenditures                     | <u>5,993,002</u>            | <u>971,414</u>              | <u>6,964,416</u>   |
| Revenues over (under) expenditures     | <u>(210,054)</u>            | <u>(884,132)</u>            | <u>(1,094,186)</u> |
| <b>Other Financing Sources (Uses):</b> |                             |                             |                    |
| Transfers in                           | 172,848                     | 830,005                     | 1,002,853          |
| Transfers out                          | -                           | (66,886)                    | (66,886)           |
| Total other financing sources (uses)   | <u>172,848</u>              | <u>763,119</u>              | <u>935,967</u>     |
| Net change in fund balances            | (37,206)                    | (121,013)                   | (158,219)          |
| <b>Fund Balances:</b>                  |                             |                             |                    |
| Beginning of year - July 1             | <u>522,202</u>              | <u>183,845</u>              | <u>706,047</u>     |
| End of year - June 30                  | <u>\$ 484,996</u>           | <u>\$ 62,832</u>            | <u>\$ 547,828</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 Graded District Fund** – accounts for the ad valorem tax levies for the Roanoke Rapids school district.

**Halifax County School District Fund** – This fund is used to account for the ad valorem tax levies for the Halifax County School District.

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

|   | <b>Emergency<br/>Telephone<br/>System<br/>Fund</b> | <b>Our<br/>Community<br/>Hospital<br/>Center<br/>Fund</b> | <b>Weldon<br/>School<br/>District<br/>Fund</b> | <b>Fire<br/>District<br/>Fund</b> |
|---|--|---|--|-----------------------------------|
| <b>Assets:</b>  |  |   |  |                                   |
| Cash and cash equivalents   | \$ 433,096   | \$ 2,294  | \$ 18,306                                      | \$ 39,922                         |
| Accounts receivable   | 26,466   | 16,165  | 49,254   | 54,185                            |
| Due from other governments  | 25,603   | -   | -  | -                                 |
| Taxes receivable, net   | -  | 40,552  | 74,933   | 95,069                            |
| Total assets  | <u>\$ 485,165</u>                                  | <u>\$ 59,011</u>  | <u>\$ 142,493</u>                              | <u>\$ 189,176</u>                 |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |  |   |  |                                   |
| <b>Liabilities:</b>   |  |   |  |                                   |
| Accounts payable  | \$ 169   | \$ 18,459   | \$ 67,560                                      | \$ 94,107                         |
| Total liabilities   | <u>169</u>   | <u>18,459</u>   | <u>67,560</u>                                  | <u>94,107</u>                     |
| <b>Deferred Inflows of Resources:</b>                                     |  |   |  |                                   |
| Taxes receivable  | -  | 40,552  | 74,933   | 95,069                            |
| <b>Fund Balances:</b>   |  |   |  |                                   |
| <b>Restricted:</b>  |  |   |  |                                   |
| Stabilization by State statute  | 52,069   | 16,165  | 49,254   | 54,185                            |
| Public safety   | 432,927  | -   | -  | -                                 |
| Unassigned  | -  | (16,165)  | (49,254)                                       | (54,185)                          |
| Total fund balances   | <u>484,996</u>                                     | <u>-</u>  | <u>-</u>                                       | <u>-</u>                          |
| Total liabilities, deferred inflows of<br>resources, and fund balances    | <u>\$ 485,165</u>                                  | <u>\$ 59,011</u>  | <u>\$ 142,493</u>                              | <u>\$ 189,176</u>                 |

## HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

|   | <b>Roanoke Rapids<br/>School Graded<br/>District<br/>Fund</b> | <b>Halifax County<br/>School District<br/>Fund</b> | <b>Total</b>      |
|---|---|--|-------------------|
| <b>Assets:</b>  |   |  |                   |
| Cash and cash equivalents   | \$ 10,393   | \$ -   | \$ 504,011        |
| Accounts receivable   | 21,124  | 18   | 167,212           |
| Due from other governments  | -   | -  | 25,603            |
| Taxes receivable, net   | 49,625  | -  | 260,179           |
| Total assets  | <u>\$ 81,142</u>  | <u>\$ 18</u>                                       | <u>\$ 957,005</u> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |   |  |                   |
| <b>Liabilities:</b>   |   |  |                   |
| Accounts payable  | \$ 31,517   | \$ 18  | \$ 211,830        |
| Total liabilities   | <u>31,517</u>   | <u>18</u>  | <u>211,830</u>    |
| <b>Deferred Inflows of Resources:</b>                                     |   |  |                   |
| Taxes receivable  | <u>49,625</u>   | <u>-</u>   | <u>260,179</u>    |
| <b>Fund Balances:</b>   |   |  |                   |
| Restricted:   |   |  |                   |
| Stabilization by State statute  | 21,124  | 18   | 192,815           |
| Public safety   | -   | -  | 432,927           |
| Unassigned  | <u>(21,124)</u>   | <u>(18)</u>  | <u>(140,746)</u>  |
| Total fund balances   | <u>-</u>  | <u>-</u>   | <u>484,996</u>    |
| Total liabilities, deferred inflows of<br>resources and fund balances     | <u>\$ 81,142</u>  | <u>\$ 18</u>                                       | <u>\$ 957,005</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, 2017

|  | <b>Emergency<br/>Telephone<br/>System<br/>Fund</b> | <b>Our<br/>Community<br/>Hospital<br/>Center<br/>Fund</b> | <b>Weldon<br/>School<br/>District<br/>Fund</b> | <b>Fire<br/>District<br/>Fund</b> |
|--|--|---|--|-----------------------------------|
| <b>Revenues:</b>                       |  |   |  |                                   |
| Ad valorem taxes                       | \$ -   | \$ 404,527  | \$ 1,249,462                                   | \$ 1,363,298                      |
| Other taxes and licenses               | -  | 70,817  | 230,809  | 223,522                           |
| Restricted intergovernmental           | 317,593  | -   | -  | -                                 |
| Investment earnings                    | 951  | -   | -  | -                                 |
| Total revenues                         | <u>318,544</u>                                     | <u>475,344</u>  | <u>1,480,271</u>                               | <u>1,586,820</u>                  |
| <b>Expenditures:</b>                   |  |   |  |                                   |
| Public safety                          | 528,598  | -   | -  | 1,586,820                         |
| Human services                         | -  | 475,344   | -  | -                                 |
| Education                              | -  | -   | 1,480,271                                      | -                                 |
| Total expenditures                     | <u>528,598</u>                                     | <u>475,344</u>  | <u>1,480,271</u>                               | <u>1,586,820</u>                  |
| Revenues over (under) expenditures     | (210,054)  | -   | -  | -                                 |
| <b>Other Financing Sources (Uses):</b> |  |   |  |                                   |
| Transfers from General Fund            | <u>172,848</u>                                     | -   | -  | -                                 |
| Net change in fund balances            | (37,206)   | -   | -  | -                                 |
| <b>Fund Balances:</b>                  |  |   |  |                                   |
| Beginning of year - July 1             | <u>522,202</u>                                     | -   | -  | -                                 |
| End of year - June 30                  | <u>\$ 484,996</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, 2017**

|  | <b>Roanoke Rapids<br/>School Graded<br/>District<br/>Fund</b> | <b>Halifax County<br/>School District<br/>Fund</b> | <b>Total</b>      |
|--|---|--|-------------------|
| <b>Revenues:</b>                       |   |  |                   |
| Ad valorem taxes                       | \$ 1,915,687  | \$ 18  | \$ 4,932,992      |
| Other taxes and licenses               | -   | -  | 525,148           |
| Restricted intergovernmental           | -   | -  | 317,593           |
| Investment earnings                    | 6,264   | -  | 7,215             |
| Total revenues                         | <u>1,921,951</u>  | <u>18</u>  | <u>5,782,948</u>  |
| <b>Expenditures:</b>                   |   |  |                   |
| Public safety                          | -   | -  | 2,115,418         |
| Human services                         | -   | -  | 475,344           |
| Education                              | 1,921,951   | 18   | 3,402,240         |
| Total expenditures                     | <u>1,921,951</u>  | <u>18</u>  | <u>5,993,002</u>  |
| Revenues over (under) expenditures     | -   | -  | (210,054)         |
| <b>Other Financing Sources (Uses):</b> |   |  |                   |
| Transfers from General Fund            | -   | -  | 172,848           |
| Net change in fund balances            | -   | -  | (37,206)          |
| <b>Fund Balances:</b>                  |   |  |                   |
| Beginning of year - July 1             | -   | -  | 522,202           |
| End of year - June 30                  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ 484,996</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, 2017**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|  | 2017           |                   |                        | 2016              |
|--|----------------|-------------------|------------------------|-------------------|
|  | Budget         | Actual            | Variance<br>Over/Under | Actual            |
| <b>Revenues:</b>                       |                |                   |                        |                   |
| Restricted intergovernmental:          |                |                   |                        |                   |
| Wireless funding                       | \$ 335,055     | \$ 317,593        | \$ (17,462)            | \$ 335,055        |
| Miscellaneous                          | 130,824        | -                 | (130,824)              | -                 |
| Investment earnings                    | -              | 951               | 951                    | 742               |
| Total revenues                         | <u>465,879</u> | <u>318,544</u>    | <u>(147,335)</u>       | <u>335,797</u>    |
| <b>Expenditures:</b>                   |                |                   |                        |                   |
| Public safety:                         |                |                   |                        |                   |
| Operating expenses                     |                | 585               |                        | -                 |
| Telephone and furniture                |                | 357,618           |                        | 144,802           |
| Software maintenance                   |                | 111,260           |                        | 63,670            |
| Hardware maintenance                   |                | 51,720            |                        | 57,903            |
| Training                               |                | 7,415             |                        | 44,385            |
| Total expenditures                     | <u>638,727</u> | <u>528,598</u>    | <u>110,129</u>         | <u>310,760</u>    |
| Revenues over (under) expenditures     | (172,848)      | (210,054)         | (37,206)               | 25,037            |
| <b>Other Financing Sources (Uses):</b> |                |                   |                        |                   |
| Transfer (to) from General Fund        | <u>172,848</u> | <u>172,848</u>    | <u>-</u>               | <u>-</u>          |
| Net change in fund balance             | <u>\$ -</u>    | <u>(37,206)</u>   | <u>\$ (37,206)</u>     | <u>25,037</u>     |
| <b>Fund Balance:</b>                   |                |                   |                        |                   |
| Beginning of year - July 1             |                | <u>522,202</u>    |                        | <u>497,165</u>    |
| End of year - June 30                  |                | <u>\$ 484,996</u> |                        | <u>\$ 522,202</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                            | 2017           |                |                        | 2016           |
|----------------------------|----------------|----------------|------------------------|----------------|
|                            | Budget         | Actual         | Variance<br>Over/Under | Actual         |
| <b>Revenues:</b>           |                |                |                        |                |
| Ad valorem taxes           | \$ 427,000     | \$ 404,527     | \$ (22,473)            | \$ 399,517     |
| Local option sales tax     | 70,817         | 70,817         | -                      | 68,414         |
| Total revenues             | <u>497,817</u> | <u>475,344</u> | <u>(22,473)</u>        | <u>467,931</u> |
| <b>Expenditures:</b>       |                |                |                        |                |
| Human services:            |                |                |                        |                |
| Our Community Hospital     | <u>497,817</u> | <u>475,344</u> | <u>22,473</u>          | <u>467,931</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                             | 2017             |                  |                        | 2016             |
|-----------------------------|------------------|------------------|------------------------|------------------|
|                             | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| <b>Revenues:</b>            |                  |                  |                        |                  |
| Ad valorem tax              | \$ 1,401,140     | \$ 1,249,462     | \$ (151,678)           | \$ 1,119,331     |
| Local option sales tax      | 230,809          | 230,809          | -                      | 223,403          |
| Total revenues              | <u>1,631,949</u> | <u>1,480,271</u> | <u>(151,678)</u>       | <u>1,342,734</u> |
| <b>Expenditures:</b>        |                  |                  |                        |                  |
| Education:                  |                  |                  |                        |                  |
| Payments to school district | <u>1,631,949</u> | <u>1,480,271</u> | <u>151,678</u>         | <u>1,342,734</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, 2017

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

|                            | 2017             |                  |                        | 2016             |
|----------------------------|------------------|------------------|------------------------|------------------|
|                            | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| <b>Revenues:</b>           |                  |                  |                        |                  |
| Ad valorem taxes           | \$ 1,441,671     | \$ 1,363,298     | \$ (78,373)            | \$ 1,280,242     |
| Local option sales tax     | 224,080          | 223,522          | (558)                  | 221,312          |
| Total revenues             | <u>1,665,751</u> | <u>1,586,820</u> | <u>(78,931)</u>        | <u>1,501,554</u> |
| <b>Expenditures:</b>       |                  |                  |                        |                  |
| Current:                   |                  |                  |                        |                  |
| Public safety:             |                  |                  |                        |                  |
| Payments to fire districts | <u>1,665,751</u> | <u>1,586,820</u> | <u>78,931</u>          | <u>1,501,554</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                             | 2017             |                  |                        | 2016             |
|-----------------------------|------------------|------------------|------------------------|------------------|
|                             | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| <b>Revenues:</b>            |                  |                  |                        |                  |
| Ad valorem tax              | \$ 2,128,769     | \$ 1,915,687     | \$ (213,082)           | \$ 1,891,290     |
| Interest                    | 7,000            | 6,264            | (736)                  | 6,231            |
| Total revenues              | <u>2,135,769</u> | <u>1,921,951</u> | <u>(213,818)</u>       | <u>1,897,521</u> |
| <b>Expenditures:</b>        |                  |                  |                        |                  |
| Education:                  |                  |                  |                        |                  |
| Payments to school district | <u>2,135,769</u> | <u>1,921,951</u> | <u>213,818</u>         | <u>1,897,521</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

### HALIFAX COUNTY SCHOOL DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                             | 2017        |             |                        | 2016        |
|-----------------------------|-------------|-------------|------------------------|-------------|
|                             | Budget      | Actual      | Variance<br>Over/Under | Actual      |
| <b>Revenues:</b>            |             |             |                        |             |
| Ad valorem tax              | \$ 18       | \$ 18       | \$ -                   | \$ -        |
| <b>Expenditures:</b>        |             |             |                        |             |
| Education:                  |             |             |                        |             |
| Payments to school district | 18          | 18          | -                      | -           |
| Net change in fund balance  | <u>\$ -</u> | -           | <u>\$ -</u>            | -           |
| <b>Fund Balance:</b>        |             |             |                        |             |
| Beginning of year - July 1  |             | -           |                        | -           |
| End of year - June 30       |             | <u>\$ -</u> |                        | <u>\$ -</u> |



This page left intentionally blank

## **NONMAJOR CAPITAL PROJECT FUNDS**

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

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

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

**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, 2017

|                                       | <u>Annual Budget</u> |                     |                |                 |                   |
|---------------------------------------|----------------------|---------------------|----------------|-----------------|-------------------|
|                                       | <b>RPO</b>           |                     | <b>QCSB</b>    |                 |                   |
|                                       | <b>Peanut Belt</b>   |                     | <b>Roanoke</b> | <b>Project</b>  |                   |
|                                       | <b>Capital</b>       | <b>Piezotronics</b> | <b>Rapids</b>  | <b>Freebird</b> | <b>Total</b>      |
|                                       | <u>Project</u>       | <u>Project</u>      | <u>Project</u> | <u>Project</u>  | <u>Project</u>    |
| <b>Assets:</b>                        |                      |                     |                |                 |                   |
| Cash and cash equivalents             | \$ 90,978            | \$ -                | \$ -           | \$ -            | \$ 90,978         |
| Accounts receivable                   | 26,243               | -                   | -              | 9,193           | 35,436            |
| Total assets                          | <u>\$ 117,221</u>    | <u>\$ -</u>         | <u>\$ -</u>    | <u>\$ 9,193</u> | <u>\$ 126,414</u> |
| <b>Liabilities and Fund Balances:</b> |                      |                     |                |                 |                   |
| <b>Liabilities:</b>                   |                      |                     |                |                 |                   |
| Accounts payable                      | <u>\$ 63,582</u>     | <u>\$ -</u>         | <u>\$ -</u>    | <u>\$ -</u>     | <u>\$ 63,582</u>  |
| <b>Fund Balances:</b>                 |                      |                     |                |                 |                   |
| Restricted:                           |                      |                     |                |                 |                   |
| Stabilization by State statute        | 26,243               | -                   | -              | 9,193           | 35,436            |
| Committed:                            |                      |                     |                |                 |                   |
| Economic development                  | <u>27,396</u>        | <u>-</u>            | <u>-</u>       | <u>-</u>        | <u>27,396</u>     |
| Total fund balances                   | <u>53,639</u>        | <u>-</u>            | <u>-</u>       | <u>9,193</u>    | <u>62,832</u>     |
| Total liabilities and fund balances   | <u>\$ 117,221</u>    | <u>\$ -</u>         | <u>\$ -</u>    | <u>\$ 9,193</u> | <u>\$ 126,414</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, 2017

|  | <u>Annual Budget</u>                               |                                 |                                    |                             | <u>Total</u>     |
|--|--|---------------------------------|------------------------------------|-----------------------------|------------------|
|  | <u>RPO<br/>Peanut Belt<br/>Capital<br/>Project</u> | <u>Piezotronics<br/>Project</u> | <u>QCSB<br/>Roanoke<br/>Rapids</u> | <u>Project<br/>Freebird</u> |                  |
| <b>Revenues:</b>                       |  |                                 |                                    |                             |                  |
| Restricted intergovernmental           | \$ 87,277  | \$ -                            | \$ -                               | \$ -                        | \$ 87,277        |
| Investment earnings                    | <u>5</u>   | <u>-</u>                        | <u>-</u>                           | <u>-</u>                    | <u>5</u>         |
| <b>Expenditures:</b>                   |  |                                 |                                    |                             |                  |
| Economic and physical development      | <u>110,753</u>                                     | <u>-</u>                        | <u>-</u>                           | <u>860,661</u>              | <u>971,414</u>   |
| Revenues over (under) expenditures     | <u>(23,471)</u>                                    | <u>-</u>                        | <u>-</u>                           | <u>(860,661)</u>            | <u>(884,132)</u> |
| <b>Other Financing Sources (Uses):</b> |  |                                 |                                    |                             |                  |
| Transfers in:                          |  |                                 |                                    |                             |                  |
| General Fund                           | -  | -                               | -                                  | 830,005                     | 830,005          |
| Transfers out:                         |  |                                 |                                    |                             |                  |
| General Fund                           | <u>-</u>   | <u>-</u>                        | <u>(66,886)</u>                    | <u>-</u>                    | <u>(66,886)</u>  |
| Total other financing sources (uses)   | <u>-</u>   | <u>-</u>                        | <u>(66,886)</u>                    | <u>830,005</u>              | <u>763,119</u>   |
| Net change in fund balances            | (23,471)   | -                               | (66,886)                           | (30,656)                    | (121,013)        |
| <b>Fund Balances:</b>                  |  |                                 |                                    |                             |                  |
| Beginning of year - July 1             | <u>77,110</u>                                      | <u>-</u>                        | <u>66,886</u>                      | <u>39,849</u>               | <u>183,845</u>   |
| End of year - June 30                  | <u>\$ 53,639</u>                                   | <u>\$ -</u>                     | <u>\$ -</u>                        | <u>\$ 9,193</u>             | <u>\$ 62,832</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, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                              | 2017           |                  |                          | 2016             |
|------------------------------|----------------|------------------|--------------------------|------------------|
|                              | Budget         | Actual           | Variance<br>Over/(Under) | Actual           |
| <b>Revenues:</b>             |                |                  |                          |                  |
| Restricted intergovernmental | \$ 115,625     | \$ 87,277        | \$ (28,348)              | \$ 115,627       |
| Investment earnings          | -              | 5                | 5                        | -                |
| Total revenues               | <u>115,625</u> | <u>87,282</u>    | <u>(28,343)</u>          | <u>115,627</u>   |
| <b>Expenditures:</b>         |                |                  |                          |                  |
| Economic development         | <u>115,625</u> | <u>110,753</u>   | <u>4,872</u>             | <u>115,627</u>   |
| Net change in fund balance   | <u>\$ -</u>    | <u>(23,471)</u>  | <u>\$ (23,471)</u>       | <u>-</u>         |
| <b>Fund Balance:</b>         |                |                  |                          |                  |
| Beginning of year - July 1   |                | <u>77,110</u>    |                          | <u>77,110</u>    |
| End of year - June 30        |                | <u>\$ 53,639</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, 2017**

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          | <u>Variance<br/>Over/Under</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|--------------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |                                |
| <b>Revenues:</b>                       |                                  |                        |                         |                          |                                |
| Restricted intergovernmental:          |                                  |                        |                         |                          |                                |
| Contributions                          | \$ 1,852,000                     | \$ 1,852,000           | \$ -                    | \$ 1,852,000             | \$ -                           |
| Miscellaneous                          | 198,119                          | 116,263                | -                       | 116,263                  | (81,856)                       |
| Total revenues                         | <u>2,050,119</u>                 | <u>1,968,263</u>       | <u>-</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                           | <u>2,423,352</u>                 | <u>2,342,101</u>       | <u>-</u>                | <u>2,342,101</u>         | <u>81,251</u>                  |
| Total expenditures                     | <u>2,578,842</u>                 | <u>2,496,986</u>       | <u>-</u>                | <u>2,496,986</u>         | <u>81,856</u>                  |
| Revenues over (under) expenditures     | <u>(528,723)</u>                 | <u>(528,723)</u>       | <u>-</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                 | <u>(51,965)</u>                  | <u>(51,965)</u>        | <u>-</u>                | <u>(51,965)</u>          | <u>-</u>                       |
| Total other financing sources (uses)   | <u>528,723</u>                   | <u>528,723</u>         | <u>-</u>                | <u>528,723</u>           | <u>-</u>                       |
| Net change in fund balance             | <u>\$ -</u>                      | <u>\$ -</u>            | <u>\$ -</u>             | <u>\$ -</u>              | <u>\$ -</u>                    |

## HALIFAX COUNTY, NORTH CAROLINA

**QCSB ROANOKE RAPIDS/WELDON  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         | <u>Total<br/>to Date</u> | <u>Variance<br/>Over/Under</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|--------------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</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                           | 2,392,516                        | 2,370,605              | -                       | 2,370,605                | 21,911                         |
| 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                         |
| Total expenditures                     | <u>2,647,304</u>                 | <u>2,583,273</u>       | <u>-</u>                | <u>2,583,273</u>         | <u>64,031</u>                  |
| Revenues over (under) expenditures     | <u>(2,486,081)</u>               | <u>(2,422,111)</u>     | <u>-</u>                | <u>(2,422,111)</u>       | <u>63,970</u>                  |
| <b>Other Financing Sources (Uses):</b> |                                  |                        |                         |                          |                                |
| **Long-term debt issued                | 2,552,967                        | 2,488,997              | -                       | 2,488,997                | (63,970)                       |
| Transfer to General Fund               | <u>(66,886)</u>                  | <u>-</u>               | <u>(66,886)</u>         | <u>(66,886)</u>          | <u>-</u>                       |
| Total other financing sources (uses)   | <u>2,486,081</u>                 | <u>2,488,997</u>       | <u>(66,886)</u>         | <u>2,422,111</u>         | <u>(63,970)</u>                |
| Net change in fund balance             | <u>\$ -</u>                      | <u>\$ 66,886</u>       | <u>\$ (66,886)</u>      | <u>\$ -</u>              | <u>\$ -</u>                    |

## HALIFAX COUNTY, NORTH CAROLINA

**PROJECT FREEBIRD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          | <u>Variance<br/>Over/Under</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|--------------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |                                |
| <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                                   | 1,764,515                        | -                      | 795,812                 | 795,812                  | 968,703                        |
| Administration                                 | 25,000                           | 4,986                  | 20,014                  | 25,000                   | -                              |
| Engineering design and permitting              | 128,360                          | 79,750                 | -                       | 79,750                   | 48,610                         |
| Construction administration and<br>observation | 86,350                           | 9,295                  | 44,835                  | 54,130                   | 32,220                         |
| Total expenditures                             | <u>2,004,225</u>                 | <u>94,031</u>          | <u>860,661</u>          | <u>954,692</u>           | <u>1,049,533</u>               |
| Revenues over (under) expenditures             | <u>(133,880)</u>                 | <u>(94,031)</u>        | <u>(860,661)</u>        | <u>(954,692)</u>         | <u>(820,812)</u>               |
| <b>Other Financing Sources (Uses):</b>         |                                  |                        |                         |                          |                                |
| Transfer from General Fund                     | 963,885                          | 133,880                | 830,005                 | 963,885                  | -                              |
| Transfer to General Fund                       | <u>(830,005)</u>                 | <u>-</u>               | <u>-</u>                | <u>-</u>                 | <u>830,005</u>                 |
| Total other financing sources (uses)           | <u>133,880</u>                   | <u>133,880</u>         | <u>830,005</u>          | <u>963,885</u>           | <u>830,005</u>                 |
| Net change in fund balance                     | <u>\$ -</u>                      | <u>\$ 39,849</u>       | <u>\$ (30,656)</u>      | <u>\$ 9,193</u>          | <u>\$ 9,193</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|                                | 2017             |                  |                        | 2016             |
|--------------------------------|------------------|------------------|------------------------|------------------|
|                                | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| <b>Revenues:</b>               |                  |                  |                        |                  |
| Operating revenues:            |                  |                  |                        |                  |
| Solid waste fees               | \$ 4,171,426     | \$ 4,106,046     | \$ (65,380)            | \$ 5,075,134     |
| Electronics management         | 3,000            | 3,889            | 889                    | 5,121            |
| Total operating revenues       | <u>4,174,426</u> | <u>4,109,935</u> | <u>(64,491)</u>        | <u>5,080,255</u> |
| Non-operating revenues:        |                  |                  |                        |                  |
| Interest earned on investments | <u>1,000</u>     | <u>13,375</u>    | <u>12,375</u>          | <u>8,639</u>     |
| Total revenues                 | <u>4,175,426</u> | <u>4,123,310</u> | <u>(52,116)</u>        | <u>5,088,894</u> |
| <b>Expenditures:</b>           |                  |                  |                        |                  |
| Landfill operations:           |                  |                  |                        |                  |
| Salaries and benefits          | 539,695          | 435,289          |                        | 458,555          |
| Operating expenses             | 641,781          | 368,339          |                        | 413,794          |
| Repairs and maintenance        | 144,700          | 83,118           |                        | 52,161           |
| Total landfill operations      | <u>1,326,176</u> | <u>886,746</u>   | <u>439,430</u>         | <u>924,510</u>   |
| Ash monofill cell:             |                  |                  |                        |                  |
| Salaries and benefits          | 42,631           | 42,232           |                        | 36,503           |
| Operating expenses             | 196,675          | 135,215          |                        | 113,711          |
| Repairs and maintenance        | 52,500           | -                |                        | 177,856          |
| Total ash monofill cell        | <u>291,806</u>   | <u>177,447</u>   | <u>114,359</u>         | <u>328,070</u>   |
| Landfill closure:              |                  |                  |                        |                  |
| Landfill closure expenditures  | <u>50,000</u>    | <u>-</u>         |                        | <u>-</u>         |
| Total landfill closure         | <u>50,000</u>    | <u>-</u>         | <u>50,000</u>          | <u>-</u>         |
| Electronics management:        |                  |                  |                        |                  |
| Operating expenses             | <u>10,000</u>    | <u>3,855</u>     |                        | <u>7,292</u>     |
| Total electronics management   | <u>10,000</u>    | <u>3,855</u>     | <u>6,145</u>           | <u>7,292</u>     |
| Transfer station:              |                  |                  |                        |                  |
| Salaries and benefits          | 48,377           | 48,192           |                        | 46,185           |
| Operating expenses             | 2,308,857        | 2,255,854        |                        | 2,236,620        |
| Total transfer station         | <u>2,357,234</u> | <u>2,304,046</u> | <u>53,188</u>          | <u>2,282,805</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, 2017  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017      |            | Variance<br>Over/Under | 2016         |
|--|-----------|------------|------------------------|--------------|
|  | Budget    | Actual     |                        | Actual       |
| Debt service expenditures:   |           |            |                        |              |
| Principal  | 354,113   | 354,112    |                        | 192,624      |
| Interest   | 24,247    | 24,246     |                        | 37,213       |
| Total debt service   | 378,360   | 378,358    | 2                      | 229,837      |
| Total expenditures   | 4,413,576 | 3,750,452  | 663,124                | 3,772,514    |
| Revenues over (under) expenditures   | (238,150) | 372,858    | 611,008                | 1,316,380    |
| <b>Other Financing Sources (Uses):</b>   |           |            |                        |              |
| Intrafund transfers in (out)   | 185,849   | 185,849    | -                      | -            |
| Appropriated fund balance  | 52,301    | -          | (52,301)               | -            |
| Total other financing sources (uses)   | 238,150   | 185,849    | (52,301)               | -            |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -      | \$ 558,707 | \$ 558,707             | \$ 1,316,380 |
| <b>Reconciliation From Budgetary Basis<br/>(Modified Accrual) To Full Accrual:</b>         |           |            |                        |              |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses |           | \$ 558,707 |                        | \$ 1,316,380 |
| Depreciation   |           | (192,621)  |                        | (215,258)    |
| Debt service expenditures  |           | 354,112    |                        | 192,624      |
| Change in accrued interest payable   |           | 1,635      |                        | 7,721        |
| Change in compensated absences   |           | (2,314)    |                        | 17,258       |
| Change in net pension asset  |           | -          |                        | (39,982)     |
| Change in net pension liability  |           | (117,149)  |                        | (30,622)     |
| Change in deferred outflows of resources - pension   |           | 97,756     |                        | 819          |
| Change in deferred inflows of resources - pension  |           | 10,775     |                        | 81,569       |
| Change in OPEB   |           | 706        |                        | 710          |
| Interest from projects   |           | 412        |                        | 409          |
| Intrafund transfer from capital project  |           | (185,849)  |                        | -            |
| Change in post-closure liability estimate  |           | (103,036)  |                        | (810,912)    |
| Change in net position   |           | \$ 423,134 |                        | \$ 520,716   |

## HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2017  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|                                | 2017             |                  |                        | 2016             |
|--------------------------------|------------------|------------------|------------------------|------------------|
|                                | Budget           | Actual           | Variance<br>Over/Under | Actual           |
| <b>Revenues:</b>               |                  |                  |                        |                  |
| Operating revenues:            |                  |                  |                        |                  |
| Charges for services:          |                  |                  |                        |                  |
| Water sales                    | \$ 5,388,325     | \$ 5,562,908     | \$ 174,583             | \$ 5,122,590     |
| Sewer sales                    | 174,970          | 191,738          | 16,768                 | 225,254          |
| Tap fees                       | 39,300           | 43,392           | 4,092                  | 48,525           |
| Penalties and other charges    | 252,590          | 220,029          | (32,561)               | 235,296          |
| Miscellaneous                  | 3,090            | 37,150           | 34,060                 | 6,950            |
| Total operating revenues       | <u>5,858,275</u> | <u>6,055,217</u> | <u>196,942</u>         | <u>5,638,615</u> |
| Non-operating revenues:        |                  |                  |                        |                  |
| Interest earned on investments | 1,779            | 2,488            | 709                    | 2,404            |
| Total non-operating revenues   | <u>1,779</u>     | <u>2,488</u>     | <u>709</u>             | <u>2,404</u>     |
| Total revenues                 | <u>5,860,054</u> | <u>6,057,705</u> | <u>197,651</u>         | <u>5,641,019</u> |
| <b>Expenditures:</b>           |                  |                  |                        |                  |
| Water department:              |                  |                  |                        |                  |
| Salaries and employee benefits | 693,370          | 628,810          |                        | 587,930          |
| Water purchases                | 1,986,350        | 1,935,889        |                        | 1,980,517        |
| Repairs and maintenance        | 185,790          | 131,560          |                        | 92,708           |
| Other operating expenditures   | 1,508,725        | 1,108,728        |                        | 1,053,156        |
| Capital outlay                 | 26,500           | 26,162           | -                      | -                |
| Total water department         | <u>4,400,735</u> | <u>3,831,149</u> | <u>569,586</u>         | <u>3,714,311</u> |
| Debt service:                  |                  |                  |                        |                  |
| Debt service principal         | 1,043,551        | 1,039,760        |                        | 1,010,553        |
| Debt service interest and fees | 725,170          | 711,961          |                        | 748,022          |
| Total debt service             | <u>1,768,721</u> | <u>1,751,721</u> | <u>17,000</u>          | <u>1,758,575</u> |
| Total expenditures             | <u>6,169,456</u> | <u>5,582,870</u> | <u>586,586</u>         | <u>5,472,886</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, 2017**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016**

|  | 2017      |             |                        | 2016         |
|--|-----------|-------------|------------------------|--------------|
|  | Budget    | Actual      | Variance<br>Over/Under | Actual       |
| Revenues over (under) expenditures   | (309,402) | 474,835     | 784,237                | 168,133      |
| <b>Other Financing Sources (Uses):</b>   |           |             |                        |              |
| Special Revenue Fund - transfer out  | -         | -           | -                      | (459)        |
| Intrafund transfers  | 143,351   | 143,351     | -                      | -            |
| Appropriated fund balance  | 166,051   | -           | (166,051)              | -            |
| Total other financing sources (uses)   | 309,402   | 143,351     | (166,051)              | (459)        |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -      | \$ 618,186  | \$ 618,186             | \$ 167,674   |
| <b>Reconciliation From Budgetary Basis<br/>(Modified Accrual) To Full Accrual:</b>         |           |             |                        |              |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses |           | \$ 618,186  |                        | \$ 167,674   |
| Debt principal   |           | 1,039,760   |                        | 1,010,553    |
| Capital outlay   |           | 26,162      |                        | -            |
| Change in accrued interest payable   |           | (35,393)    |                        | (321,261)    |
| Change in compensated absences   |           | (3,855)     |                        | (10,587)     |
| Increase (Decrease) in net pension asset   |           | -           |                        | (39,982)     |
| Increase in net pension liability  |           | (117,149)   |                        | (30,622)     |
| Change in deferred outflows of resources - pension   |           | 97,756      |                        | 819          |
| Change in deferred inflows of resources - pension  |           | 10,775      |                        | 81,569       |
| Change in OPEB   |           | 873         |                        | 864          |
| Intrafund transfer   |           | (143,351)   |                        | -            |
| Project transfer   |           | -           |                        | 459          |
| Capital contributions from water capital projects  |           | 128,416     |                        | 404,482      |
| Depreciation   |           | (1,418,721) |                        | (1,420,483)  |
| Change in net position   |           | \$ 203,459  |                        | \$ (156,515) |

## 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, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |
| <b>Revenues:</b>   |                                  |                        |                         |                          |
| Restricted intergovernmental   | \$ 61,425                        | \$ 35,926              | \$ 22,402               | \$ 58,328                |
| <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<br>(under) expenditures and other financing uses | \$ -                             | \$ (22,602)            | \$ 22,402               | \$ (200)                 |

## 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, 2017**

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |
| <b>Revenues:</b>   |                                  |                        |                         |                          |
| <b>Phase XI</b>  |                                  |                        |                         |                          |
| Restricted intergovernmental - USDA  | \$ 1,513,000                     | \$ 1,513,000           | \$ -                    | \$ 1,513,000             |
| Investment earnings  | -                                | 1,449                  | -                       | 1,449                    |
| Total Phase XI revenues  | <u>1,513,000</u>                 | <u>1,514,449</u>       | <u>-</u>                | <u>1,514,449</u>         |
| Total revenues   | <u>1,513,000</u>                 | <u>1,514,449</u>       | <u>-</u>                | <u>1,514,449</u>         |
| <b>Expenditures:</b>   |                                  |                        |                         |                          |
| <b>Phase XI</b>  |                                  |                        |                         |                          |
| Economic and physical development:   |                                  |                        |                         |                          |
| Administration   | 47,674                           | 47,674                 | -                       | 47,674                   |
| Construction   | 3,975,927                        | 3,851,579              | -                       | 3,851,579                |
| Equipment and materials  | 82,538                           | 79,275                 | -                       | 79,275                   |
| Interest   | 27,407                           | 27,407                 | -                       | 27,407                   |
| Engineering  | 592,414                          | 592,373                | -                       | 592,373                  |
| Total Phase XI expenditures  | <u>4,726,799</u>                 | <u>4,598,308</u>       | <u>-</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>6,272,017</u>                 | <u>5,945,212</u>       | <u>-</u>                | <u>5,945,212</u>         |
| Revenues over (under) expenditures   | <u>(4,759,017)</u>               | <u>(4,430,763)</u>     | <u>-</u>                | <u>(4,430,763)</u>       |
| <b>Other Financing Sources (Uses):</b>   |                                  |                        |                         |                          |
| Intrafund transfer - water Ph XI   | 686,660                          | 496,800                | 30,000                  | 526,800                  |
| Intrafund transfer to Water Fund   | (159,860)                        | -                      | (159,860)               | (159,860)                |
| 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                                 | 1,545,217                        | 1,376,823              | -                       | 1,376,823                |
| Total other financing sources (uses)   | <u>4,759,017</u>                 | <u>4,560,623</u>       | <u>(129,860)</u>        | <u>4,430,763</u>         |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>                      | <u>\$ 129,860</u>      | <u>\$ (129,860)</u>     | <u>\$ -</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, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |
| <b>Expenditures:</b>   |                                  |                        |                         |                          |
| Economic and physical development:   |                                  |                        |                         |                          |
| Construction   | \$ 993,952                       | \$ 739,609             | \$ -                    | \$ 739,609               |
| Administration   | 118,255                          | 118,255                | -                       | 118,255                  |
| Closing costs  | 23,399                           | 19,909                 | -                       | 19,909                   |
| Total expenditures   | <u>1,135,606</u>                 | <u>877,773</u>         | <u>-</u>                | <u>877,773</u>           |
| <b>Other Financing Sources (Uses):</b>   |                                  |                        |                         |                          |
| Transfer from (to) Water Fund  | (34,368)                         | (34,368)               | (13,491)                | (47,859)                 |
| Proceeds from long-term debt - USDA Revolving Loan   | <u>1,169,974</u>                 | <u>925,632</u>         | <u>-</u>                | <u>925,632</u>           |
| Total other financing sources (uses)   | <u>1,135,606</u>                 | <u>891,264</u>         | <u>(13,491)</u>         | <u>877,773</u>           |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>                      | <u>\$ 13,491</u>       | <u>\$ (13,491)</u>      | <u>\$ -</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, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         | <u>Total<br/>to Date</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> |                          |
| <b>Revenues:</b>   |                                  |                        |                         |                          |
| Restricted intergovernmental   | \$ 885,000                       | \$ 72,937              | \$ 106,014              | \$ 178,951               |
| <b>Expenditures:</b>   |                                  |                        |                         |                          |
| Economic and physical development:   |                                  |                        |                         |                          |
| Construction   | 744,000                          | -                      | 82,342                  | 82,342                   |
| Engineering  | 61,000                           | 29,278                 | 19,372                  | 48,650                   |
| Administration   | 80,000                           | 43,659                 | 4,300                   | 47,959                   |
| Total expenditures   | <u>885,000</u>                   | <u>72,937</u>          | <u>106,014</u>          | <u>178,951</u>           |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>                      | <u>\$ -</u>            | <u>\$ -</u>             | <u>\$ -</u>              |

## HALIFAX COUNTY, NORTH CAROLINA

### TRANSFER STATION PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         | <u>Total<br/>to Date</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> |                          |
| <b>Revenues:</b>   |                                  |                        |                         |                          |
| Investment earnings  | \$ 2,834                         | \$ 2,421               | \$ 412                  | \$ 2,833                 |
| <b>Expenditures:</b>   |                                  |                        |                         |                          |
| Economic and physical development:   |                                  |                        |                         |                          |
| Construction   | 1,403,176                        | 1,403,176              | -                       | 1,403,176                |
| Administration   | 25,087                           | 25,087                 | -                       | 25,087                   |
| Engineering  | 109,927                          | 109,927                | -                       | 109,927                  |
| Total expenditures   | 1,538,190                        | 1,538,190              | -                       | 1,538,190                |
| Revenues over (under) expenditures   | (1,535,356)                      | (1,535,769)            | 412                     | (1,535,357)              |
| <b>Other Financing Sources (Uses):</b>   |                                  |                        |                         |                          |
| Intrafund transfer - Solid Waste Disposal  | (164,644)                        | -                      | (164,643)               | (164,643)                |
| Proceeds from long-term debt   | 1,700,000                        | 1,700,000              | -                       | 1,700,000                |
| Total other financing sources (uses)   | 1,535,356                        | 1,700,000              | (164,643)               | 1,535,357                |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -                             | \$ 164,231             | \$ (164,231)            | \$ -                     |

## 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, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         | <u>Total<br/>to Date</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>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  | 115,000                          | 115,000                | -                       | 115,000                  |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -                             | \$ 89,763              | \$ -                    | \$ 89,763                |

## 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, 2017

|  | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         | <u>Total<br/>to Date</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|
|  |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> |                          |
| <b>Expenditures:</b>   |                                  |                        |                         |                          |
| Economic and physical development:   |                                  |                        |                         |                          |
| Construction   | \$ 110,000                       | \$ 95,475              | \$ -                    | \$ 95,475                |
| Engineering  | 14,000                           | 7,319                  | -                       | 7,319                    |
| Total expenditures   | <u>124,000</u>                   | <u>102,794</u>         | <u>-</u>                | <u>102,794</u>           |
| Revenues over (under) expenditures   | <u>(124,000)</u>                 | <u>(102,794)</u>       | <u>-</u>                | <u>(102,794)</u>         |
| <b>Other Financing Sources (Uses):</b>   |                                  |                        |                         |                          |
| Intrafund transfer out - solid waste disposal  | (21,205)                         | -                      | (21,206)                | (21,206)                 |
| Intrafund transfer in - solid waste disposal   | 124,000                          | 124,000                | -                       | 124,000                  |
| Appropriated fund balance  | <u>21,205</u>                    | <u>-</u>               | <u>-</u>                | <u>-</u>                 |
| Total other financing sources (uses)   | <u>124,000</u>                   | <u>124,000</u>         | <u>(21,206)</u>         | <u>102,794</u>           |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>                      | <u>\$ 21,206</u>       | <u>\$ (21,206)</u>      | <u>\$ -</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, 2017

|  | <u>Health<br/>Insurance<br/>Fund</u> | <u>Unemployment<br/>Insurance<br/>Fund</u> | <u>Total</u>      |
|--|--------------------------------------|--|-------------------|
| <b>Assets:</b>                           |                                      |  |                   |
| Current assets:                          |                                      |  |                   |
| Cash and cash equivalents                | \$ 1,606,637                         | \$ 207,545                                 | \$ 1,814,182      |
| <b>Liabilities:</b>                      |                                      |  |                   |
| Current liabilities:                     |                                      |  |                   |
| Accounts payable and accrued liabilities | <u>887,546</u>                       | <u>-</u>                                   | <u>887,546</u>    |
| <b>Net Position:</b>                     |                                      |  |                   |
| Unrestricted                             | <u>\$ 719,091</u>                    | <u>\$ 207,545</u>                          | <u>\$ 926,636</u> |

## HALIFAX COUNTY, NORTH CAROLINA

### INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016

|  | 2017                        |                                   |              | 2016         |
|--|-----------------------------|-----------------------------------|--------------|--------------|
|  | Health<br>Insurance<br>Fund | Unemployment<br>Insurance<br>Fund | Total        | Total        |
| <b>Operating Revenues:</b>                   |                             |                                   |              |              |
| Charges for services                         | \$ 4,494,828                | \$ 278,556                        | \$ 4,773,384 | \$ 4,291,646 |
| <b>Operating Expenses:</b>                   |                             |                                   |              |              |
| Unemployment claims                          | -                           | 23,176                            | 23,176       | 14,622       |
| Health insurance premiums and administration | 4,477,225                   | -                                 | 4,477,225    | 4,910,680    |
| Total operating expenses                     | 4,477,225                   | 23,176                            | 4,500,401    | 4,925,302    |
| Operating income (loss)                      | 17,603                      | 255,380                           | 272,983      | (633,656)    |
| <b>Non-Operating Revenues:</b>               |                             |                                   |              |              |
| Investment earnings                          | 3,578                       | 571                               | 4,149        | 1,910        |
| Income (loss) before operating transfers     | 21,181                      | 255,951                           | 277,132      | (631,746)    |
| Transfer in (out) - General Fund             | -                           | (246,500)                         | (246,500)    | 653,500      |
| Change in net position                       | 21,181                      | 9,451                             | 30,632       | 21,754       |
| <b>Net Position:</b>                         |                             |                                   |              |              |
| Beginning of year - July 1                   | 697,910                     | 198,094                           | 896,004      | 874,250      |
| End of year - June 30                        | \$ 719,091                  | \$ 207,545                        | \$ 926,636   | \$ 896,004   |

## HALIFAX COUNTY, NORTH CAROLINA

## COMBINING STATEMENT OF CASH FLOWS

## INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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

|   | 2017                        |                                   |              | 2016         |
|---|-----------------------------|-----------------------------------|--------------|--------------|
|   | Health<br>Insurance<br>Fund | Unemployment<br>Insurance<br>Fund | Total        | Total        |
| <b>Cash Flows from Operating Activities:</b>  |                             |                                   |              |              |
| Cash received from customers  | \$ 4,494,860                | \$ 278,556                        | \$ 4,773,416 | \$ 4,292,172 |
| Cash paid for goods and services  | (4,403,392)                 | (23,176)                          | (4,426,568)  | (4,781,482)  |
| Net cash provided (used) by operating activities  | 91,468                      | 255,380                           | 346,848      | (489,310)    |
| <b>Cash Flows from Non-Capital Financing Activities:</b>  |                             |                                   |              |              |
| Transfer in (out) - General Fund  | -                           | (246,500)                         | (246,500)    | 653,500      |
| Net cash provided (used) by<br>non-capital financing activities   | -                           | (246,500)                         | (246,500)    | 653,500      |
| <b>Cash Flows from Investing Activities:</b>  |                             |                                   |              |              |
| Interest on investments   | 3,578                       | 571                               | 4,149        | 1,910        |
| Net cash provided (used) by investing activities  | 3,578                       | 571                               | 4,149        | 1,910        |
| Net increase (decrease) in cash,<br>cash equivalents, and investments                                     | 95,046                      | 9,451                             | 104,497      | 166,100      |
| <b>Cash, Cash Equivalents, and Investments:</b>   |                             |                                   |              |              |
| Beginning of year - July 1  | 1,511,591                   | 198,094                           | 1,709,685    | 1,543,585    |
| End of year - June 30   | \$ 1,606,637                | \$ 207,545                        | \$ 1,814,182 | \$ 1,709,685 |
| <b>Reconciliation Of Operating Income (Loss) to Net<br/>Cash Provided (Used) By Operating Activities:</b> |                             |                                   |              |              |
| Operating income (loss)   | \$ 17,603                   | \$ 255,380                        | \$ 272,983   | \$ (633,656) |
| Adjustments to reconcile operating income (loss) to<br>net cash provided (used) by operating activities:  |                             |                                   |              |              |
| Changes in assets and liabilities:  |                             |                                   |              |              |
| (Increase) decrease in accounts receivable  | 32                          | -                                 | 32           | 526          |
| Increase (decrease) in accounts payable   | 73,833                      | -                                 | 73,833       | 143,820      |
| Net cash provided (used) by operating activities  | \$ 91,468                   | \$ 255,380                        | \$ 346,848   | \$ (489,310) |

## 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, 2017

|  | <u>Financial<br/>Plan</u> | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|--|---------------------------|------------------|--------------------------------|
| <b>Operating Revenues:</b>                                       |                           |                  |                                |
| Charges for services   | \$ 4,485,000              | \$ 4,494,828     | \$ 9,828                       |
| <b>Operating Expenses:</b>                                       |                           |                  |                                |
| Health insurance premiums and administration                     | <u>4,485,000</u>          | <u>4,477,225</u> | <u>7,775</u>                   |
| Operating income (loss)  | -                         | 17,603           | 17,603                         |
| <b>Non-Operating Revenues:</b>                                   |                           |                  |                                |
| Investment earnings  | <u>-</u>                  | <u>3,578</u>     | <u>3,578</u>                   |
| Revenues over (under) expenditures                               | <u>\$ -</u>               | <u>\$ 21,181</u> | <u>\$ 21,181</u>               |
| <b>Reconciliation from Financial Plan Basis to Full Accrual:</b> |                           |                  |                                |
| Change in net position   |                           | <u>\$ 21,181</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, 2017

|  | <u>Financial<br/>Plan</u> | <u>Actual</u>   | <u>Variance<br/>Over/Under</u> |
|--|---------------------------|-----------------|--------------------------------|
| <b>Operating Revenues:</b>                                       |                           |                 |                                |
| Charges for services   | \$ 271,389                | \$ 278,556      | \$ 7,167                       |
| <b>Operating Expenses:</b>                                       |                           |                 |                                |
| Unemployment claims  | 24,889                    | 23,176          | 1,713                          |
| Operating income (loss)  | 246,500                   | 255,380         | 8,880                          |
| <b>Non-Operating Revenues:</b>                                   |                           |                 |                                |
| Investment earnings  | -                         | 571             | 571                            |
| Income (loss) before operating transfers                         | 246,500                   | 255,951         | 9,451                          |
| Transfer in (out) - General Fund                                 | (246,500)                 | (246,500)       | -                              |
| Revenues over (under) expenditures                               | <u>\$ -</u>               | <u>\$ 9,451</u> | <u>\$ 9,451</u>                |
| <b>Reconciliation from Financial Plan Basis to Full Accrual:</b> |                           |                 |                                |
| Change in net position   |                           | <u>\$ 9,451</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, 2017

|   | <u>Balance<br/>June 30, 2016</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balance<br/>June 30, 2017</u> |
|---|----------------------------------|----------------------|----------------------|----------------------------------|
| <b>Social Services Trust Fund:</b>                  |                                  |                      |                      |                                  |
| <b>Assets:</b>                                      |                                  |                      |                      |                                  |
| Cash and cash equivalents                           | \$ 20,368                        | \$ 30,852            | \$ 20,368            | \$ 30,852                        |
| <b>Liabilities:</b>                                 |                                  |                      |                      |                                  |
| Miscellaneous liabilities                           | \$ 20,368                        | \$ 30,852            | \$ 20,368            | \$ 30,852                        |
| <b>Tax Collection Agency Fund:</b>                  |                                  |                      |                      |                                  |
| <b>Assets:</b>                                      |                                  |                      |                      |                                  |
| Cash and cash equivalents                           | \$ 97,069                        | \$ 11,336,726        | \$ 11,300,833        | \$ 132,962                       |
| Taxes receivable, net                               | 1,508,471                        | 10,790,461           | 11,332,435           | 966,497                          |
| Total assets  | <u>\$ 1,605,540</u>              | <u>\$ 22,127,187</u> | <u>\$ 22,633,268</u> | <u>\$ 1,099,459</u>              |
| <b>Liabilities:</b>                                 |                                  |                      |                      |                                  |
| Miscellaneous liabilities                           | \$ 185,556                       | \$ 10,933,879        | \$ 10,884,276        | \$ 235,159                       |
| Intergovernmental payable                           | 1,419,984                        | 10,790,402           | 11,346,086           | 864,300                          |
| Total liabilities                                   | <u>\$ 1,605,540</u>              | <u>\$ 21,724,281</u> | <u>\$ 22,230,362</u> | <u>\$ 1,099,459</u>              |
| <b>ROD Trust Fund Fee:</b>                          |                                  |                      |                      |                                  |
| <b>Assets:</b>                                      |                                  |                      |                      |                                  |
| Cash and cash equivalents                           | \$ 2,120                         | \$ 29,261            | \$ 29,186            | \$ 2,195                         |
| <b>Liabilities:</b>                                 |                                  |                      |                      |                                  |
| Intergovernmental payable - State of North Carolina | \$ 2,120                         | \$ 29,261            | \$ 29,186            | \$ 2,195                         |
| <b>Totals - All Agency Funds:</b>                   |                                  |                      |                      |                                  |
| <b>Assets:</b>                                      |                                  |                      |                      |                                  |
| Cash and cash equivalents                           | \$ 119,557                       | \$ 11,396,839        | \$ 11,350,387        | \$ 166,009                       |
| Taxes receivable, net                               | 1,508,471                        | 10,790,461           | 11,332,435           | 966,497                          |
| Total assets  | <u>\$ 1,628,028</u>              | <u>\$ 22,187,300</u> | <u>\$ 22,682,822</u> | <u>\$ 1,132,506</u>              |
| <b>Liabilities and Fund Balance:</b>                |                                  |                      |                      |                                  |
| <b>Liabilities:</b>                                 |                                  |                      |                      |                                  |
| Miscellaneous liabilities                           | \$ 205,924                       | \$ 10,964,731        | \$ 10,904,644        | \$ 266,011                       |
| Intergovernmental payable                           | 1,422,104                        | 10,819,663           | 11,375,272           | 866,495                          |
| Total liabilities                                   | <u>\$ 1,628,028</u>              | <u>\$ 21,784,394</u> | <u>\$ 22,279,916</u> | <u>\$ 1,132,506</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, 2017

| <u>Fiscal Year</u>  | <u>Uncollected<br/>Balance<br/>July 1, 2016</u> | <u>Additions</u>     | <u>Collections<br/>and Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2017</u> |
|---|---|----------------------|------------------------------------|--|
| 2016-2017   | \$ -  | \$ 27,729,888        | \$ 27,171,621                      | \$ 558,267                                       |
| 2015-2016   | 1,017,650                                       | -                    | 753,907                            | 263,743  |
| 2014-2015   | 312,832   | -                    | 79,534                             | 233,298  |
| 2013-2014   | 251,979   | -                    | 41,434                             | 210,545  |
| 2012-2013   | 220,993   | -                    | 29,714                             | 191,279  |
| 2011-2012   | 176,955   | -                    | 12,110                             | 164,845  |
| 2010-2011   | 160,995   | -                    | 10,405                             | 150,590  |
| 2009-2010   | 128,058   | -                    | 7,623                              | 120,435  |
| 2008-2009   | 115,736   | -                    | 5,088                              | 110,648  |
| 2007-2008   | 113,643   | -                    | 5,033                              | 108,610  |
| 2006-2007   | 126,002   | -                    | 126,002                            | -  |
| Total   | <u>\$ 2,624,843</u>                             | <u>\$ 27,729,888</u> | <u>\$ 28,242,471</u>               | <u>2,112,260</u>                                 |
| Less: allowance for uncollectible ad valorem taxes receivable |   |                      |                                    | <u>(655,127)</u>                                 |
| Ad valorem taxes receivable, net                              |   |                      |                                    | <u>\$ 1,457,133</u>                              |
| <b>Reconciliation with Revenues:</b>                          |   |                      |                                    |  |
| Ad valorem taxes - General Fund                               |   |                      |                                    | \$ 27,496,943                                    |
| Reconciling items:  |   |                      |                                    |  |
| Gross receipts tax  |   |                      |                                    | (31,528)   |
| Penalties collected on ad valorem taxes - Agency Fund         |   |                      |                                    | (203,080)  |
| Amounts written off for tax years per Statute of Limitations  |   |                      |                                    | 126,002  |
| Releases  |   |                      |                                    | 292,114  |
| Refunds   |   |                      |                                    | (69,592)   |
| Writeoffs/discounts   |   |                      |                                    | 222,218  |
| Tax bill adjustments  |   |                      |                                    | (11,701)   |
| Discoveries and rollback                                      |   |                      |                                    | 486,302  |
| Miscellaneous adjustments                                     |   |                      |                                    | <u>(65,207)</u>                                  |
| Total collections and credits                                 |   |                      |                                    | <u>\$ 28,242,471</u>                             |

# HALIFAX COUNTY, NORTH CAROLINA

## ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2017

|   | <u>County-Wide</u>            |             |                      | <u>Total Levy</u>   |  |
|---|-------------------------------|-------------|----------------------|---|--|
|   | <u>Property<br/>Valuation</u> | <u>Rate</u> | <u>Total Levy</u>    | <u>Property<br/>Excluding<br/>Registered<br/>Motor<br/>Vehicles</u> | <u>Registered<br/>Motor<br/>Vehicles</u> |
| <b>Original Levy:</b>                       |                               |             |                      |   |  |
| Property taxed at current year's rate       | \$ 3,214,302,949              | \$ 0.78     | \$ 25,071,563        | \$ 25,071,563   | \$ -                                     |
| Motor vehicles taxed at current year's rate | 373,372,949                   | 0.78        | 2,912,309            |   | 2,912,309                                |
| Penalties                                   | -                             |             | 122,199              | 122,199   | -  |
| Total original levy                         | <u>3,587,675,897</u>          |             | <u>28,106,071</u>    | <u>25,193,762</u>   | <u>2,912,309</u>                         |
| <b>Discoveries</b>                          | <u>57,280,385</u>             | 0.78        | <u>446,787</u>       | <u>446,787</u>  | <u>-</u>                                 |
| <b>Releases</b>                             | <u>(105,508,974)</u>          | 0.78        | <u>(822,970)</u>     | <u>(822,970)</u>  | <u>-</u>                                 |
| Total property valuation                    | <u>\$ 3,539,447,308</u>       |             |                      |   |  |
| <b>Net Levy</b>                             |                               |             | 27,729,888           | 24,817,579  | 2,912,309                                |
| Uncollected taxes at June 30, 2017          |                               |             | <u>558,267</u>       | <u>558,267</u>  | <u>-</u>                                 |
| <b>Current Year's Taxes Collected</b>       |                               |             | <u>\$ 27,171,621</u> | <u>\$ 24,259,312</u>  | <u>\$ 2,912,309</u>                      |
| <b>Current Levy Collection Percentage</b>   |                               |             | <u>97.99%</u>        | <u>97.75%</u>   | <u>100.00%</u>                           |

## HALIFAX COUNTY, NORTH CAROLINA

### ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2017

#### Secondary Market Disclosure:

##### Assessed Valuation:

|   |                         |
|---|-------------------------|
| Assessment ratio                                      | 98%                     |
| Real property   | \$ 2,487,730,710        |
| Personal property                                     | 830,291,956             |
| Public service companies                              | 221,424,642             |
| Total assessed valuation                              | <u>\$ 3,539,447,308</u> |
| Tax rate per \$100                                    | <u>0.78</u>             |
| Levy (included discoveries, releases, and abatements) | <u>\$ 27,729,888</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            | \$ 1,156,230        |
| Fire protection districts | 32,479              |
| Community hospital        | <u>365,632</u>      |
| Total                     | <u>\$ 1,554,341</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><br>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.  | 140                |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.   | 145                |
| <b>Debt Capacity</b><br>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.   | 149                |
| <b>Demographic and Economic Information</b><br>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. | 153                |
| <b>Operating Information</b><br>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.                    | 156                |



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  |              |              |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2017         | 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         |
| Governmental activities                     |              |              |              |              |              |              |              |              |              |              |
| Net investment in capital assets            | \$21,388,949 | \$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 |
| Restricted                                  | 22,911,749   | 21,354,872   | 15,462,261   | 13,537,120   | 16,312,505   | 16,423,142   | 11,130,798   | 58,992       | 58,192       | 89,618       |
| Unrestricted                                | (21,204,640) | (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   |
| Total governmental activities net position  | \$23,096,058 | \$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 |
| Business-type activities                    |              |              |              |              |              |              |              |              |              |              |
| Net investment in capital assets            | \$11,824,479 | \$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 |
| Restricted                                  | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Unrestricted                                | 6,033,657    | 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    |
| Total business-type activities net position | \$17,858,136 | \$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 |
| Primary government                          |              |              |              |              |              |              |              |              |              |              |
| Net investment in capital assets            | \$33,213,428 | \$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 |
| Restricted                                  | 22,911,749   | 21,354,872   | 15,462,261   | 13,537,120   | 16,312,505   | 16,423,142   | 11,130,798   | 58,992       | 58,192       | 89,618       |
| Unrestricted                                | (15,170,983) | (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   |
| Total primary government net position       | \$40,954,194 | \$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 |

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

|   | Fiscal Year     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            | 2009            | 2008            |
| <b>Expenses</b>                                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General government                              | \$ 11,824,803   | \$ 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    |
| Public safety                                   | 15,223,699      | 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      |
| Economic & physical development                 | 5,070,877       | 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         |
| Human Services                                  | 20,258,952      | 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      |
| Cultural & Recreational                         | 506,484         | 579,074         | 540,741         | 651,086         | 617,701         | 683,275         | 539,435         | 528,298         | 578,152         | 554,833         |
| Education                                       | 22,071,399      | 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      |
| Interest & Fees                                 | 1,012,473       | 1,119,155       | 805,349         | 1,042,433       | 921,100         | 938,783         | 396,649         | 460,169         | 532,773         | 579,473         |
| Total governmental activities expenses          | \$ 75,968,687   | \$ 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   |
| Business-type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Water & Sewer                                   | \$ 5,982,662    | \$ 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    |
| Landfill/Solid Waste                            | 3,700,588       | 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       |
| Total business-type activities                  | \$ 9,683,250    | \$ 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    |
| Total primary governmental expenses             | \$ 85,651,937   | \$ 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   |
| <b>Program Revenues</b>                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General government                              | \$ 11,687,133   | \$ 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    |
| Public Safety                                   | 3,533,202       | 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       |
| Economic and physical development               | -               | 80,544          | -               | -               | -               | -               | -               | -               | -               | 7,144           |
| Human Services                                  | -               | -               | 124,808         | 148,547         | 102,747         | 158,807         | 143,102         | 40,693          | 19,664          | 116,303         |
| Cultural and recreation                         | 20,816          | 26,945          | 24,904          | 25,439          | 21,822          | 19,223          | 26,895          | 5,992           | 4,514           | -               |
| Operating grants and contributions              | 17,721,133      | 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      |
| Capital grants and contributions                | 4,101,133       | 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  | \$ 37,063,417   | \$ 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   |
| Business-type activities:                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges of services:                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Water and sewer                                 | \$ 6,055,217    | \$ 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    |
| Solid waste                                     | 4,109,935       | 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       |
| Capital grants and contributions                | 128,416         | 404,482         | 553,201         | 642,755         | 766,515         | 2,511           | 224,763         | 1,021,862       | 252,287         | 358,948         |
| Total business-type activities program revenues | \$ 10,293,568   | \$ 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    |
| Total primary governmental program revenues     | \$ 47,356,985   | \$ 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   |
| <b>Net (Expense)/Revenue</b>                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                         | \$ (38,905,270) | \$ (37,768,689) | \$ (35,965,638) | \$ (41,911,855) | \$ (38,080,227) | \$ (34,891,710) | \$ (33,876,618) | \$ (32,657,194) | \$ (37,569,903) | \$ (40,782,066) |
| Business-type activities                        | 610,318         | 270,443         | (298,937)       | (296,649)       | 41,802          | (2,857,330)     | (715,750)       | 511,389         | (226,793)       | 355,510         |
| Total primary government net expense            | \$ (38,294,952) | \$ (37,498,246) | \$ (36,264,575) | \$ (42,208,504) | \$ (38,038,425) | \$ (37,749,040) | \$ (34,592,368) | \$ (32,145,805) | \$ (37,796,696) | \$ (40,426,556) |

Fiscal Year

|   | 2017                  | 2016                 | 2015                 | 2014                  | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                 |
|---|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                       |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Governmental activities:                                  |                       |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Taxes   |                       |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Ad valorem taxes  | \$ 31,809,653         | \$ 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        |
| 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           |
| Other taxes   | -                     | 93,902               | 99,262               | 118,989               | 144,424              | 121,816              | 124,282              | 131,484              | 138,512              | 489,499              |
| Interest earned on investments                            | 82,528                | 56,252               | 37,586               | 67,661                | 39,775               | 39,565               | 99,372               | 109,491              | 436,090              | 1,350,134            |
| 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              |
| <b>Total governmental activities</b>                      | <b>\$ 31,892,181</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> |
| Business-type activities:                                 |                       |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Other Taxes   | \$ -                  | \$ -                 | \$ -                 | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 83,899            |
| Privilege Tax   | -                     | 70,542               | 67,973               | 74,366                | 83,280               | 84,179               | 81,674               | 78,893               | 76,003               | -                    |
| Interest  | 16,275                | 11,911               | 3,357                | 5,556                 | 7,036                | 8,427                | 16,273               | 26,229               | 156,961              | 426,944              |
| Transfers   | -                     | (459)                | -                    | -                     | 18,296               | (24,359)             | (88,793)             | (5,704)              | 30,684               | (148,698)            |
| <b>Total business-type activities</b>                     | <b>\$ 16,275</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>Total primary government</b>                           | <b>\$ 31,908,456</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>Change in Net Position</b>                             |                       |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Governmental activities                                   | \$ (7,013,089)        | \$ 271,003           | \$ 2,340,773         | \$ (3,008,598)        | \$ (962,056)         | \$ 2,228,510         | \$ 2,039,986         | \$ 3,501,250         | \$ (869,741)         | \$ (1,362,446)       |
| Business-type activities                                  | 626,593               | 352,437              | (227,607)            | (216,727)             | 150,414              | (2,789,083)          | (706,596)            | 610,807              | 36,855               | 717,655              |
| <b>Total primary government</b>                           | <b>\$ (6,386,496)</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>  |

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

|                                    | Fiscal Year         |                      |                     |                     |                     |                      |                     |                     |                       |                     |
|------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|-----------------------|---------------------|
|                                    | 2017                | 2016                 | 2015                | 2014                | 2013                | 2012                 | 2011                | 2010                | 2009                  | 2008                |
| General Fund                       |                     |                      |                     |                     |                     |                      |                     |                     |                       |                     |
| Reserved                           | N/A                 | N/A                  | N/A                 | N/A                 | N/A                 | N/A                  | N/A                 | \$ 7,830,230        | \$ 7,092,581          | \$ 6,680,731        |
| Unreserved                         | N/A                 | N/A                  | N/A                 | N/A                 | N/A                 | N/A                  | N/A                 | 24,021,981          | 22,939,596            | 24,385,840          |
| Nonspendable                       | 34,500              | 193,435              | 108,076             | 47,097              | 67,992              | 787,417              | 118,618             | -                   | -                     | -                   |
| Restricted                         | 18,792,681          | 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                           | 3,679,242           | 4,007,178            | 4,658,251           | 1,882,934           | 3,497,218           | 4,530,361            | 3,941,401           | -                   | -                     | -                   |
| Unassigned                         | 4,707,922           | 2,271,623            | 8,329,303           | 11,643,265          | 10,528,955          | 13,226,413           | 17,589,602          | -                   | -                     | -                   |
| Total General Fund                 | <u>\$27,214,345</u> | <u>\$25,960,994</u>  | <u>\$26,713,384</u> | <u>\$27,111,500</u> | <u>\$29,748,050</u> | <u>\$33,291,780</u>  | <u>\$32,574,663</u> | <u>\$31,852,211</u> | <u>\$30,032,177</u>   | <u>\$31,066,571</u> |
| All other governmental funds       |                     |                      |                     |                     |                     |                      |                     |                     |                       |                     |
| Reserved                           | N/A                 | N/A                  | N/A                 | N/A                 | N/A                 | N/A                  | N/A                 | \$ 73,743           | \$ 88,104             | \$ 248,233          |
| Unreserved, reported in:           |                     |                      |                     |                     |                     |                      |                     |                     |                       |                     |
| Undesignated                       | N/A                 | 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                  | N/A                 | 1,281,807           | 1,136,906             | 1,102,165           |
| Capital projects funds             | N/A                 | N/A                  | N/A                 | N/A                 | N/A                 | N/A                  | N/A                 | (2,081,881)         | (2,514,505)           | (1,731,444)         |
| Permanent funds                    | N/A                 | N/A                  | N/A                 | N/A                 | N/A                 | N/A                  | N/A                 | -                   | -                     | -                   |
| Nonspendable                       | -                   | -                    | -                   | -                   | -                   | -                    | -                   | -                   | -                     | -                   |
| Restricted                         | 11,402,505          | 19,966,114           | 1,844,507           | 951,229             | 1,722,420           | 2,686,525            | 1,193,269           | -                   | -                     | -                   |
| Committed                          | 27,396              | 39,849               | 145,595             | 629,102             | 2,255,244           | 1,182,015            | -                   | -                   | -                     | -                   |
| Assigned                           | -                   | -                    | -                   | -                   | -                   | -                    | 1,534,350           | -                   | -                     | -                   |
| Unassigned                         | (1,994,684)         | (965,718)            | (736,967)           | (1,158,743)         | (2,625,090)         | (3,344,767)          | (2,692,045)         | -                   | -                     | -                   |
| Total all other governmental funds | <u>\$ 9,435,217</u> | <u>\$ 19,040,245</u> | <u>\$ 1,253,135</u> | <u>\$ 421,588</u>   | <u>\$ 1,352,574</u> | <u>\$ 523,773.00</u> | <u>\$ 35,574</u>    | <u>\$ (726,331)</u> | <u>\$ (1,289,495)</u> | <u>\$ (381,046)</u> |

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           |                      |                      |                      |                      |                      |                      |                      |                      |                       |
|--|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|  | 2017                  | 2016                 | 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 | 2009                 | 2008                  |
| <b>Revenues</b>  |                       |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Ad valorem taxes   | \$ 32,429,935         | \$ 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         |
| Other taxes and licenses                                 | 8,770,372             | 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            |
| Unrestricted intergovernmental revenues                  | 347,331               | 361,425              | 385,800              | 347,751              | 390,315              | 408,382              | 727,980              | 483,341              | 567,941              | 561,175               |
| Restricted intergovernmental revenues                    | 21,608,486            | 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            |
| Permits and fees   | 1,359,789             | 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             |
| Sales and services                                       | 4,364,500             | 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             |
| Investment earnings                                      | 78,379                | 54,342               | 29,823               | 56,469               | 329,311              | 29,070               | 96,610               | 104,371              | 407,156              | 1,284,516             |
| Miscellaneous  | 488,289               | 598,374              | 354,324              | 329,311              | 312,426              | 412,940              | 206,482              | 799,583              | 742,245              | 649,621               |
| <b>Total revenues</b>                                    | <b>\$ 69,447,081</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>Expenditures</b>                                      |                       |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| General government                                       | \$ 7,496,153          | \$ 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          |
| Public safety  | 16,890,493            | 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            |
| Transportation   | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Environmental Protection                                 | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Economic and physical development                        | 5,014,213             | 2,353,686            | 975,352              | 866,364              | 1,097,442            | 5,351,019            | 2,455,450            | 1,711,764            | 1,435,942            | 853,024               |
| Human services   | 22,214,380            | 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            |
| Cultural and recreational                                | 604,985               | 655,299              | 631,639              | 711,853              | 680,198              | 735,805              | 596,275              | 584,198              | 612,437              | 595,436               |
| Public Health  | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Education  | 22,169,505            | 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            |
| Capital outlay   | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,822,427             |
| Debt service   | 2,871,519             | 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             |
| Principal  | 1,147,364             | 802,052              | 821,056              | 854,222              | 921,099              | 936,291              | 396,649              | 460,168              | 532,773              | 579,473               |
| Interest   | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| <b>Total expenditures</b>                                | <b>\$ 78,408,612</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>  |
| Excess of revenues over (under) expenditures             | \$ (8,961,531)        | \$ (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)        |
| <b>Other financing sources (uses)</b>                    |                       |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Intrafund transfers in (out)                             | -                     | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Transfers in-  | 1,316,239             | 301,089              | 421,791              | 1,292,222            | 296,406              | 1,076,323            | 2,069,142            | 660,665              | 887,783              | \$ 1,016,154          |
| Transfers out-   | (1,069,739)           | (954,130)            | (2,190,350)          | (4,474,827)          | (1,461,896)          | (826,964)            | (1,755,349)          | (429,961)            | (693,467)            | (642,456)             |
| Refunding issued   | 12,005,000            | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Payment to escrow agent                                  | (11,899,646)          | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                     |
| Installment purchase obligations issued                  | -                     | 18,036,030           | -                    | 450,000              | -                    | 2,552,967            | -                    | -                    | -                    | 950,796               |
| <b>Total other financing sources (uses)</b>              | <b>609,854</b>        | <b>17,382,989</b>    | <b>(1,768,559)</b>   | <b>(2,732,605)</b>   | <b>(1,165,490)</b>   | <b>2,802,326</b>     | <b>313,793</b>       | <b>230,704</b>       | <b>194,316</b>       | <b>\$ 1,324,494</b>   |
| <b>Net change in fund balances</b>                       | <b>\$ (8,351,677)</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> |
| Debt services as a percentage of noncapital expenditures | 5.22%                 | 3.77%                | 4.53%                | 5.19%                | 4.89%                | 4.82%                | 4.86%                | 5.34%                | 5.10%                | 4.84%                 |

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

| Fiscal Year | Real Property        |                |  | Personal Property | Total            | Total Direct Tax Rate |
|-------------|----------------------|----------------|--|-------------------|------------------|-----------------------|
|             | Residential Property | Public Service |  |                   |                  |                       |
| 2017        | \$ 2,487,730,710     | \$ 221,424,642 |  | \$ 830,291,956    | \$ 3,539,447,308 | 0.7800                |
| 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                |

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

|                                   | Year Taxes Are Payable |             |             |             |             |             |             |             |             |             |
|-----------------------------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                   | <u>2017</u>            | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| <b>County Direct Rates</b>        |                        |             |             |             |             |             |             |             |             |             |
| Halifax                           | 0.7800                 | 0.7800      | 0.7300      | 0.6800      | 0.6800      | 0.6800      | 0.6800      | 0.6800      | 0.6800      | 0.6800      |
| <b>Components of Direct Rates</b> |                        |             |             |             |             |             |             |             |             |             |
| Public Safety                     | 0.143832               | 0.143832    | 0.134612    | 0.125392    | 0.125392    |             |             |             |             |             |
| Education                         | 0.228852               | 0.228852    | 0.214182    | 0.199512    | 0.199512    |             |             |             |             |             |
| Operational Services              | 0.407316               | 0.407316    | 0.381206    | 0.355096    | 0.355096    |             |             |             |             |             |
| <b>City Rates</b>                 |                        |             |             |             |             |             |             |             |             |             |
| Roanoke Rapids                    | 0.6510                 | 0.6510      | 0.6510      | 0.6240      | 0.6240      | 0.6240      | 0.6240      | 0.6240      | 0.6240      | 0.5790      |
| Enfield                           | 0.8380                 | 0.8380      | 0.8380      | 0.7500      | 0.7500      | 0.7500      | 0.7500      | 0.7500      | 0.7500      | 0.7500      |
| Halifax                           | 0.6600                 | 0.6600      | 0.6600      | 0.6000      | 0.5500      | 0.5500      | 0.5500      | 0.5500      | 0.5500      | 0.5500      |
| Scotland Neck                     | 0.7850                 | 0.7850      | 0.7850      | 0.7000      | 0.7000      | 0.6800      | 0.6400      | 0.6400      | 0.6000      | 0.6000      |
| Hobgood                           | 0.6500                 | 0.6500      | 0.6500      | 0.5700      | 0.5700      | 0.5700      | 0.5700      | 0.5700      | 0.5700      | 0.4500      |
| Littleton                         | 0.8000                 | 0.8000      | 0.8000      | 0.7000      | 0.6500      | 0.6500      | 0.6500      | 0.6500      | 0.6100      | 0.6500      |
| Weldon                            | 0.7700                 | 0.7700      | 0.7700      | 0.6600      | 0.6600      | 0.6600      | 0.6600      | 0.6800      | 0.7500      | 0.7500      |
| <b>School District</b>            |                        |             |             |             |             |             |             |             |             |             |
| Weldon                            | 0.2000                 | 0.2000      | 0.1818      | 0.1700      | 0.1700      | 0.1700      | 0.1700      | 0.1700      | 0.1700      | 0.1700      |
| Roanoke Rapids                    | 0.2250                 | 0.2250      | 0.2250      | 0.2100      | 0.2100      | 0.2100      | 0.2100      | 0.2100      | 0.2100      | -           |
| Halifax County Schools            | 0.1000                 | N/A         |
| <b>Fire Districts</b>             |                        |             |             |             |             |             |             |             |             |             |
| Rheasville                        | 0.0705                 | 0.0705      | 0.0705      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0563      |
| Davie                             | 0.0945                 | 0.0945      | 0.0945      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0720      |
| Darlington                        | 0.0890                 | 0.0890      | 0.0890      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0900      | 0.0672      |
| Thelma                            | -                      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Littleton                         | 0.0534                 | 0.0534      | 0.0534      | 0.0460      | 0.0460      | 0.0460      | 0.0460      | 0.0460      | 0.0460      | 0.3300      |
| Brinkleyville                     | -                      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Arcola                            | 0.0677                 | 0.0677      | 0.0677      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.5520      |
| Enfield                           | 0.0690                 | 0.0690      | 0.0690      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0700      |
| Halifax                           | 0.0728                 | 0.0728      | 0.0728      | 0.0726      | 0.0726      | 0.0726      | 0.0726      | 0.0726      | 0.0726      | 0.0626      |
| Hobgood                           | 0.0685                 | 0.0685      | 0.0685      | 0.0719      | 0.0719      | 0.0719      | 0.0719      | 0.0719      | 0.0719      | 0.0719      |
| Scotland Neck                     | 0.0690                 | 0.0690      | 0.0690      | 0.0700      | 0.0700      | 0.0700      | 0.0700      | 0.0649      | 0.0649      | 0.0649      |
| Weldon                            | 0.0894                 | 0.0894      | 0.0894      | 0.0845      | 0.0845      | 0.0845      | 0.0845      | 0.0845      | 0.0845      | 0.0845      |
| Tillery                           | 0.0475                 | 0.0475      | 0.0475      | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0500      | 0.0488      |
| <b>Hospital District</b>          |                        |             |             |             |             |             |             |             |             |             |
| Our Community Hospital            | 0.1244                 | 0.0124      | 0.0124      | 0.1200      | 0.1200      | 0.1200      | 0.1200      | 0.1200      | 0.1200      | 0.1200      |

Source: State Department of Revenue, Bureau of Property Tax

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

|                                  | <u>2017</u>     |                               | <u>2008</u>                                       |             |
|----------------------------------|-----------------|-------------------------------|---|-------------|
|                                  | <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Rank</u> |
| Kapstone Kraft Paper Corporation | \$ 157,577,268  | 39.36%                        | \$ 155,778,024                                    | 1           |
| Klausner Lumber Two LLC          | 93,033,300      | 23.24%                        | 114,762,234                                       | 2           |
| Reser's Fine Food, Inc.          | 30,467,032      | 7.61%                         | 80,709,384  | 3           |
| Kennametal Inc                   | 29,712,161      | 7.42%                         | 22,422,415  | 4           |
| Carolina Chips                   | 25,333,043      | 6.33%                         | 20,587,166  | 5           |
| RAE-ME North Carolina LLC        | 13,378,200      | 3.34%                         | 17,661,042  | 6           |
| BRE Select Hotels NCLP           | 13,361,254      | 3.34%                         | 16,433,246  | 7           |
| PVC Inc.                         | 13,247,230      | 3.31%                         | 14,473,618  | 8           |
| FIATP Timber LLC                 | 12,216,900      | 3.05%                         | 13,980,770  | 9           |
| FIATP SSF Timber LLC             | 11,983,600      | 2.99%                         | 13,527,843  | 10          |
| Totals                           | \$ 400,309,988  | 100.00%                       | \$ 470,335,742                                    |             |

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<br>for the Fiscal Year |               | Total         | Collected within the<br>Fiscal Year of the Levy |                                | Collections in<br>Subsequent Years |                                | Total Collections to Date |                                |
|-------------|-------------------------------------|---------------|---------------|---|--------------------------------|------------------------------------|--------------------------------|---------------------------|--------------------------------|
|             | (Original Levy)                     | Adjusted Levy |               | Amount  | Percentage of<br>Original Levy | Amount                             | Percentage of<br>Adjusted Levy | Amount                    | Percentage of<br>Adjusted Levy |
| 2017        | \$ 28,106,071                       | \$ 27,729,888 | \$ 27,729,888 | 97.99%  | \$ 27,171,621                  | -                                  | \$ 27,171,621                  | 97.99%                    |                                |
| 2016        | 25,417,962                          | (77,587)      | 25,340,375    | 95.98%  | 24,322,725                     | -                                  | 24,322,725                     | 95.98%                    |                                |
| 2015        | 24,883,851                          | 3,457         | 24,887,308    | 97.88%  | 24,360,629                     | -                                  | 24,360,629                     | 97.88%                    |                                |
| 2014        | 25,453,912                          | (30,574)      | 25,423,338    | 97.90%  | 24,890,205                     | -                                  | 24,890,205                     | 97.90%                    |                                |
| 2013        | 24,605,980                          | (54,841)      | 24,551,139    | 96.89%  | 23,787,576                     | 429,773                            | 24,217,349                     | 98.64%                    |                                |
| 2012        | 24,462,488                          | (3,436)       | 24,459,052    | 97.05%  | 23,736,795                     | 63,320                             | 23,800,115                     | 97.31%                    |                                |
| 2011        | 24,229,651                          | (31,165)      | 24,198,486    | 96.80%  | 23,425,324                     | 38,843                             | 23,464,167                     | 96.97%                    |                                |
| 2010        | 24,477,419                          | (295,880)     | 24,181,539    | 95.04%  | 23,263,860                     | 30,496                             | 23,294,356                     | 96.33%                    |                                |
| 2009        | 24,149,388                          | (104,523)     | 24,044,865    | 96.14%  | 23,218,278                     | 9,803                              | 23,228,081                     | 96.60%                    |                                |
| 2008        | 23,375,303                          | 562,670       | 23,937,973    | 96.96%  | 23,209,724                     | 6,830                              | 23,216,554                     | 96.99%                    |                                |

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

| Fiscal Year | General Bonded Debt Outstanding |  |               | Total | Percentage of Personal Income | Percentage of Actual Value of Taxable Property | Per Capita |
|-------------|---------------------------------|--|---------------|-------|-------------------------------|--|------------|
|             | General Obligation Bonds        | Less: Amounts Restricted to Repaying Principal |               |       |                               |  |            |
| 2017        | \$ 18,033,808                   | \$ -   | \$ 18,033,808 | 1.8%  | 0.51%                         | 348.37   |            |
| 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   |            |

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, 2017**

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

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

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

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

| Fiscal Year | Governmental Activities |               |                              |                             | Business-Type Activities           |                           |                          |                     | Total Primary Government | Percentage of Personal Income | Per Capita |               |
|-------------|-------------------------|---------------|------------------------------|-----------------------------|------------------------------------|---------------------------|--------------------------|---------------------|--------------------------|-------------------------------|------------|---------------|
|             | Capital Leases          | Notes Payable | Certificate of Participation | Qualified Zone Academy Bond | Qualified School Construction Bond | Manning Elementary School | General Obligation Bonds | Water Revenue Bonds |                          |                               |            | Notes Payable |
| 2017        | \$ -                    | \$ 350        | \$ 11,115                    | \$ 1,642                    | \$ 1,642                           | \$ 16,893                 | \$ 18,033                | \$ 2,549            | \$ 2,742                 | \$ 54,971                     | 5.39%      | \$ 1,056.91   |
| 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        |

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

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

|   | Fiscal Year    |                |                |                |                   |                   |                   |                   |                   |                   |
|---|----------------|----------------|----------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>       | <u>2012</u>       | <u>2011</u>       | <u>2010</u>       | <u>2009</u>       | <u>2008</u>       |
| Assessed Value of Property  | \$3,539,447    | \$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       |
| Debt limit, 8% of Assessed Value<br>(Statutory Limitation)              | 283,156        | 277,304        | 292,431        | 298,827        | 288,553           | 287,456           | 284,392           | 283,308           | 281,281           | 281,292           |
| Amount of Debt Applicable to Limit                                      | 283,156        | 277,304        | 292,431        | 298,827        | 288,553           | 287,456           | 284,392           | 283,308           | 281,281           | 281,292           |
| General Obligation Bonds  | 18,034         | 18,909         | 19,756         | 20,576         | 21,362            | 22,065            | 22,629            | 21,062            | 14,595            | 14,918            |
| Less: Resources Restricted to Paying Principal                          | -              | -              | -              | -              | -                 | -                 | -                 | -                 | -                 | -                 |
| Installment purchase contracts**  | 34,389         | 37,228         | 20,861         | 22,076         | 22,378            | 22,409            | 21,906            | 24,324            | 26,943            | 29,683            |
| Capital Leases  | -              | 141            | 158            | 175            | 223               | 272               |                   |                   |                   |                   |
| Revenue Bonds   | 2,549          | 2,595          | 2,640          | 2,687          | 2,687             |                   |                   |                   |                   |                   |
| Total net debt applicable to limit                                      | 54,972         | 58,873         | 43,415         | 45,514         | 46,650            | 44,746            | 43,971            | 45,386            | 26,943            | 29,683            |
| Legal debt margin   | <u>228,184</u> | <u>218,431</u> | <u>249,016</u> | <u>253,313</u> | <u>\$ 241,903</u> | <u>\$ 242,710</u> | <u>\$ 240,421</u> | <u>\$ 237,922</u> | <u>\$ 254,338</u> | <u>\$ 251,609</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 12.14%         | 13.42%         | 7.13%          | 7.39%          | 7.76%             | 7.80%             | 7.70%             | 8.59%             | 9.58%             | 10.55%            |

\*\* Installment Debt includes COPS, QZAB and  
Installment Purchases

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

Schedule 13  
Halifax County, North Carolina  
Demographic and Economic Statistics  
Last Ten Fiscal Years

| Fiscal Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income |                            | School Enrollment | Unemployment Rate |
|-------------|------------|--|----------------------------|----------------------------|-------------------|-------------------|
|             |            |  | Personal Income            | Per Capita Personal Income |                   |                   |
| 2017        | 51,766     | 1,020,256                              | 19,709                     | 6,314                      | 7.0%              |                   |
| 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%              |                   |

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><u>2017</u></b>      |                    |   | <b><u>2008</u></b>      |                    |   |
|-----------------------------------|-------------------------|--------------------|---|-------------------------|--------------------|---|
|                                   | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage of Total City Employment</u></b> | <b><u>Employees</u></b> | <b><u>Rank</u></b> | <b><u>Percentage of Total City Employment</u></b> |
| Halifax Regional Medical Center   | 824                     | 1                  | 15.53%  | 800                     | 1                  | 14.74%  |
| County of Halifax                 | 525                     | 2                  | 9.89%   | 546                     | 3                  | 10.06%  |
| Reser's Fine Foods                | 427                     | 3                  | 8.05%   | 167                     | 14                 | 3.08%   |
| Kapstone                          | 425                     | 4                  | 8.01%   | 492                     | 4                  | 9.07%   |
| Roanoke Rapids City Schools       | 411                     | 5                  | 7.75%   | 405                     | 5                  | 7.46%   |
| Halifax County Schools            | 367                     | 6                  | 6.92%   | 700                     | 2                  | 12.90%  |
| AAA Carolinas                     | 320                     | 7                  | 6.03%   | 275                     | 7                  | 5.07%   |
| Wal-mart, Inc.                    | 279                     | 8                  | 5.26%   | 374                     | 6                  | 6.89%   |
| New Dixie Oil                     | 269                     | 9                  | 5.07%   | 170                     | 13                 | 3.13%   |
| Weldon City Schools               | 192                     | 10                 | 3.62%   | 185                     | 10                 | 3.41%   |
| PCB Piezotronics                  | 191                     | 11                 | 3.60%   | 170                     | 16                 | 3.13%   |
| Rural Health Group (Halifax only) | 181                     | 12                 | 3.41%   | 0                       | 18                 | 0.00%   |
| Don Pancho                        | 150                     | 13                 | 2.83%   | 0                       | 17                 | 0.00%   |
| City of Roanoke Rapids            | 148                     | 14                 | 2.79%   | 175                     | 11                 | 3.23%   |
| Patch Rubber                      | 143                     | 15                 | 2.70%   | 157                     | 15                 | 2.89%   |
| Halifax Community College         | 138                     | 16                 | 2.60%   | 234                     | 8                  | 4.31%   |
| Kennametal                        | 121                     | 17                 | 2.28%   | 171                     | 12                 | 3.15%   |
| Halifax Linen Service             | 102                     | 18                 | 1.92%   | 210                     | 9                  | 3.87%   |
| Meherrin River Forest Products    | 52                      | 19                 | 0.98%   | 195                     | 12                 | 3.59%   |
| Klausner Lumber Two               | <u>41</u>               | 20                 | <u>0.77%</u>                                      | <u>0</u>                | 20                 | <u>0.00%</u>                                      |
| <b>Total</b>                      | <b><u>5,306</u></b>     |                    | <b><u>100.00%</u></b>                             | <b><u>5,426</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

| Function/Program                  | Full-time Equivalent Employees as of June 30 |             |             |             |             |             |             |             |             |             |
|-----------------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                   | <u>2017</u>                                  | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Justice and law enforcement       | 105  | 106         | 98          | 95          | 91          | 91          | 91          | 88          | 88          | 73          |
| Health and human services         | 255  | 253         | 253         | 248         | 262         | 263         | 263         | 263         | 283         | 288         |
| Environment, parks, and education | 3  | 7           | 7           | 7           | 7           | 7           | 5           | 6           | 12          | 3           |
| Public works                      | 19   | 24          | 24          | 24          | 17          | 17          | 20          | 20          | 24          | 24          |
| General government                | <u>157</u>                                   | <u>167</u>  | <u>187</u>  | <u>185</u>  | <u>168</u>  | <u>168</u>  | <u>152</u>  | <u>162</u>  | <u>163</u>  | <u>168</u>  |
| Total                             | <u>539</u>                                   | <u>557</u>  | <u>569</u>  | <u>559</u>  | <u>545</u>  | <u>546</u>  | <u>531</u>  | <u>539</u>  | <u>570</u>  | <u>556</u>  |

Source: County Budget Office.

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

| Function  | Fiscal Year |             |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Sheriff   |             |             |             |             |             |             |             |             |             |             |
| Volume of calls                                     | 51,033      | 50,914      | 43,657      | 37,425      | 37,196      | 37,442      | 38,489      | 28,006      | 38,257      | 38,620      |
| Incident reports filed                              | 2,242       | 2,336       | 2,370       | 2,515       | 2,257       | 2,431       | 2,706       | 2,069       | 3,188       | 2,835       |
| EMS   |             |             |             |             |             |             |             |             |             |             |
| Volume of calls                                     | 12,586      | 12,632      | 12,753      | 12,925      | 13,483      | 12,859      | 12,553      | 12,339      | 12,076      | 11,290      |
| Response time (in minutes)                          | 9.82        | 9.80        | 9.69        | 9.80        | 8.89        | 8.75        | 2.1         | 8           | 8.43        | 8.63        |
| Transports  | 8,777       | 8,936       | 9,161       | 9,436       | 10,176      | 9,154       | 9,100       | 9,030       | 8,917       | 8,422       |
| Water   |             |             |             |             |             |             |             |             |             |             |
| New connections                                     | 64          | 72          | 85          | 130         | 82          | 75          | 111         | 85          | 191         | 233         |
| Water mains breaks                                  | 12          | 15          | 13          | 12          | 11          | 14          | 2           | 21          | 10          | 9           |
| Average daily consumption<br>(thousands of gallons) | 2,513,403   | 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   |

Sources: Various government departments.

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

N/A-NOT AVAILABLE

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

| Function   | Fiscal Year |             |             |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Public safety                                    |             |             |             |             |             |             |             |             |             |             |
| Sheriff  |             |             |             |             |             |             |             |             |             |             |
| Stations   | 2           | 2           | 2           | 2           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol units                                     | 32          | 91          | 87          | 86          | 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          | 21          | 20          | 20          | 20          | 19          | 19          |
| Water  |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                              | 618         | 618         | 618         | 613.87      | 568.29      | 568.29      | 565.60      | 540.50      | 520.50      | 506.54      |
| Fire hydrants                                    | 1,837       | 1,837       | 1,837       | 1,820       | 1,622       | 1,622       | 1,615       | 1,550       | 1,502       | 1,452       |
| Maximum daily capacity<br>(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   | 4,050,000   |
| Sewer  |             |             |             |             |             |             |             |             |             |             |
| Sanitary sewers (miles)                          | 11.5        | 11.5        | 11.5        | 11.5        | 11.5        | 11.5        | 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, 2017, 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 11, 2017. 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. 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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Halifax County's internal control. Accordingly, we do not express an opinion on the effectiveness of Halifax County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-001 that we consider to be a material weakness.

### **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*.

### **Halifax County's Response to Finding**

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

### **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 11, 2017

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

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

## **Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With The 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, 2017. 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.

## 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, 2017.

## 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 the 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, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-002 that we consider to be a material weakness.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 11, 2017

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

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

## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With The 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, 2017. 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, 2017.

## 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 the 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 or and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as Finding 2017-002 that we consider to be a material weakness.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 11, 2017

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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?                      X   Yes              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?                      X   Yes              No
- Significant deficiencies identified?                       Yes         X   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:

| <b><u>Federal Program</u></b>   | <b><u>CFDA Number</u></b> |
|---|---------------------------|
| Medicaid Cluster  | 93.778, 93.777, 93.775    |
| Foster Care and Adoption Assistance Cluster                             | 93.658, 93.659            |
| Dollar threshold used to distinguish between Type A and Type B Program? | <u>\$2,638,676</u>        |
| Auditee qualified as low-risk auditee?                                  | No                        |



# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

---

### Section II – Financial Statement Findings

---

#### **Finding 2017-001**

##### **Material Weakness**

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

**Condition:** A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. The existence of such material adjustments indicated that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

**Effect:** Errors could occur in financial reporting.

**Cause:** There are limited County resources as it relates to the preparation of all necessary year-end adjustments for financial reporting purposes.

**Recommendation:** Management should examine the adjustments required as a result of our audit and the Finance Officer should assure they are reconciled and posted prior to the audit.

**Views of Responsible Officials and Planned Corrective Action:** Management agrees with this finding and will adhere to the corrective action plan in the Corrective Action Plan section of this audit report.

# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

---

### Section III – Federal Award Findings, Responses, 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: XIX-MAP17

#### Finding 2017-002

##### Material Weakness

**Criteria:** In accordance with federal regulation, 42 CFR 435, documentation must be obtained as needed to determine if an applicant meets specific eligibility standards, and documentation must be maintained to support those determinations. Management should have an adequate system of internal control procedures in place to ensure an applicant is properly determined or redetermined for benefits with documentation of the determination in the casefiles.

**Condition:** The County Department of Social Services failed to provide evidence of proper documentation for 8 reviews performed. Certain documentation was not in the casefiles; however, we were able to determine that the participants were still eligible for benefits for the periods tested based on other documentation.

**Context:** Of the 7,792 casefiles, we examined 107 and determined that 8 (8%) applicants lacked documentation to support the determinations for approval of benefits. Upon further review, all applicants were ultimately determined eligible.

**Cause:** Caseworker did not maintain required documentation of completed reviews.

**Effect:** Casefiles were missing the required documentation for completed reviews, and ineligible applicants could have received benefits.

**Questioned Costs:** None. The finding represents an internal control weakness; therefore, no questioned costs are applicable.

**Recommendation:** Caseworkers must obtain all required documentation for reviews for each applicant and maintain them in the casefiles.

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with this finding. Please refer to the Corrective Action Plan section of this audit report.

# HALIFAX COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

---

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

---

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

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

**Finding: 2017-002** – In accordance with federal regulation, 42 CFR 435, documentation must be obtained as needed to determine if an applicant meets specific eligibility standards, and documentation must be maintained to support those determinations. Management should have an adequate system of internal control procedures in place to ensure an applicant is properly determined or redetermined for benefits with documentation of the determination in the casefiles. Caseworkers should obtain all required documentation for reviews for each applicant and maintain them in the casefiles. See more details at Finding 2017-002 in Section III – Federal Award Findings, Responses, and Questioned Costs.



# 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

## CORRECTIVE ACTION PLAN FOR YEAR ENDING JUNE 30, 2017

---

### Section II – Financial Statement Findings

---

#### **Finding: 2017-001**

**Name of Contact Person:** Mary Duncan, Finance Director

**Corrective Action/Management's Response:** Management concurs with the condition, context, and recommendations. Management and the Board will ensure that project pay requests are reviewed for material misstatements prior to their issuance.

**Proposed Completion Date:** Management and the Board will implement the above procedure immediately.

---

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

---

#### **Finding: 2017-002**

**Name of Contact Person:** Norma Merriman, DSS Director

**Corrective Action/Management's Response:** Management concurs with the condition, context, and recommendations. Management and the Board will ensure that procedures are implemented to correct in future years. Training on Resources, Halifax Property Tax Searches & AVS were held on 05/10/2017, 05/18/2017, 07/12/2017 and 10/11/2017. Trainings continue monthly. Second party reviews are completed monthly by supervisors and lead worker to check for accuracy and policy compliance.

**Proposed Completion Date:** Management and the Board will implement the above procedure immediately.

---

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

---

#### **Finding: 2017-002**

See Finding 2017-002 in Section III – Federal Award Findings, Responses, and Questioned Costs of the Corrective Action Plan.

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

**2016-001** resolved in 2017.

**2016-002** resolved in 2017.

**2016-003** resolved in 2017.



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| Grantor/Pass-Through Grantor/Program Title  | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct and<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Pass-Through<br>to<br>Subrecipients |
|---|---------------------------|---|---|-----------------------|-------------------------------------|
| <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 for Children and Families:   |                           |   |   |                       |                                     |
| Social Services Block Grant -Adult Day Care   | 93.667                    | G1701NCSOSR                                   | \$ 27,824   | \$ -                  | \$ -                                |
| Social Services Block Grant -Adult Day Care over 60   | 93.667                    | G1701NCSOSR                                   | -   | 24,765                | -                                   |
| Social Services Block Grant -Coastal Political Subdivisions Temporary Assistance to Needy Families to Social Services Block Grant | 93.667                    | G1701NCSOSR                                   | 218,573   | -                     | -                                   |
| Social Services Block Grant - In-Home Services  | 93.667                    | G1701NCSOSR                                   | 6,498   | -                     | -                                   |
| Social Services Block Grant - In-Home Services over 60  | 93.667                    | G1701NCSOSR                                   | 9,786   | -                     | -                                   |
| Social Services Block Grant Other Svcs & Trng   | 93.667                    | G1701NCSOSR                                   | 438,373   | 41,638                | -                                   |
| Total Social Services Block Grant   |                           |   | <u>701,054</u>  | <u>66,403</u>         | -                                   |
| Chafee Foster Care Independence Program   | 93.674                    | 1701NC1420                                    | 8,924   | 2,231                 | -                                   |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645                    | G1701NCCWSS                                   | 12,832  | -                     | -                                   |
| Child Support Enforcement:  |                           |   |   |                       |                                     |
| Child Support Enforcement IV-D Administration   | 93.563                    | 1704NC4005                                    | 996,570   | -                     | -                                   |
| Child Support Enforcement IV-D Offset Fees - Esc  | 93.563                    | 1704NC4005                                    | 131   | 8                     | -                                   |
| Child Support Enforcement IV-D Offset Fees - Federal  | 93.563                    | 1704NC4005                                    | 3,219   | -                     | -                                   |
| Promoting Safe and Stable Families  | 93.556                    | 1701NCFPSS                                    | 1,198   | -                     | -                                   |
| Direct Benefit Payments:  |                           |   |   |                       |                                     |
| Chafee Foster Care Independence Program   | 93.674                    | 1701NC1420                                    | 3,599   | -                     | -                                   |
| Refugee & Entrant Assistance - State Administered Program   | 93.566                    | 1701NCRDMA                                    | 543   | -                     | -                                   |
| Low-Income Home Energy Assistance:  |                           |   |   |                       |                                     |
| Administration:   |                           |   |   |                       |                                     |
| Low-Income Home Energy Assistance - Administration  | 93.568                    | G17B1NCLIEA                                   | 57,582  | -                     | -                                   |
| Low-Income Home Energy Assistance - Home Energy Assistance  | 93.568                    | G17B1NCLIEA                                   | 347,500   | -                     | -                                   |
| Low-Income Home Energy Assistance - Crisis Intervention Program   | 93.568                    | G17B1NCLIEA                                   | 344,338   | -                     | -                                   |
| Total Low Income Energy Assistance Block Grant  |                           |   | <u>749,420</u>  | -                     | -                                   |
| <b>Temporary Assistance for Needy Families Cluster</b>  |                           |   |   |                       |                                     |
| Administration:   |                           |   |   |                       |                                     |
| Temporary Assistance for Needy Families - Work First Administration   | 93.558                    | 1701NCTANF                                    | 56,515  | -                     | -                                   |
| Temporary Assistance for Needy Families - Work First Service  | 93.558                    | 1701NCTANF                                    | 351,035   | -                     | -                                   |
| Temporary Assistance for Needy Families - Family Planning   | 93.558                    | 13A15151T2                                    | 14,871  | -                     | -                                   |
| Direct Benefit Payments:  |                           |   |   |                       |                                     |
| Temporary Assistance to Needy Families - Payments & Penalties   | 93.558                    | 1701NCTANF                                    | 552,227   | -                     | -                                   |
| Total Temporary Assistance for Needy Families Cluster   |                           |   | <u>974,648</u>  | -                     | -                                   |
| Total Division of Social Services   |                           |   | <u>3,452,138</u>  | <u>68,642</u>         | -                                   |
| <b>Administration for Children and Families</b>   |                           |   |   |                       |                                     |
| Passed through the NC Department of Health & Human Services   |                           |   |   |                       |                                     |
| <b>Division of Social Services:</b>   |                           |   |   |                       |                                     |
| <b>Child Welfare Services:</b>  |                           |   |   |                       |                                     |
| <b>Foster Care and Adoption Cluster (Note 3):</b>   |                           |   |   |                       |                                     |
| Administration:   |                           |   |   |                       |                                     |
| Foster Care IV-E Coastal Political Subdivisions   | 93.658                    | 1701NCFOST                                    | 104,024   | 40,826                | -                                   |
| Foster Care IV-E-Foster Care Trn  | 93.658                    | 1701NCFOST                                    | 26,374  | -                     | -                                   |
| Foster Care IV-E- Foster Care/Off Trn   | 93.658                    | 1701NCFOST                                    | 155,408   | -                     | -                                   |
| Foster Care Title IV-E  | 93.658                    | 1701NCFOST                                    | 235,428   | -                     | -                                   |
| Adoption Assistance/Off Trn - Title IV-E  | 93.659                    | 1701NCADPT                                    | 21,716  | -                     | -                                   |
| Adoption Assistance Training  | 93.659                    | 1701NCADPT                                    | 1,922   | -                     | -                                   |
| Direct Benefit Payments:  |                           |   |   |                       |                                     |
| Foster Care Title IV-E Admin County Paid  | 93.658                    | 1701NCFOST                                    | 1,837   | 919                   | -                                   |
| Foster Care Title IV-E Family Foster Max  | 93.658                    | 1701NCFOST                                    | 1,180   | -                     | -                                   |
| Foster Care Title IV-E Foster Care  | 93.658                    | 1701NCFOST                                    | 36,790  | 10,560                | -                                   |
| Adoption Assistance - Adopt Subsidy & Vendor  | 93.659                    | 1701NCADPT                                    | 204,841   | 51,130                | -                                   |
| Total Foster Care and Adoption Cluster  |                           |   | <u>789,520</u>  | <u>103,435</u>        | -                                   |

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| Grantor/Pass-Through Grantor/Program Title  | Federal CFDA Number | State/Pass-through Grantor's Number   | Federal (Direct and Pass-Through) Expenditures | State Expenditures | Pass-Through to Subrecipients |
|---|---------------------|---------------------------------------|--|--------------------|-------------------------------|
| <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<br>Child Care and Development Fund -- Administration   | 93.596              | G1701NCCCDF                           | 78,798   | -                  | 78,798                        |
| <b>Division of Child Development:</b>   |                     |                                       |  |                    |                               |
| Child Care Mandatory and Matching Funds of the Child Care and<br>Development Fund -- Discretionary  | 93.596              | 13811810DY42                          | 610,809  | -                  | 610,809                       |
| Child Care Mandatory and Matching Funds of the Child Care and<br>Development Fund -- Mandatory  | 93.596              | 13801810MP42                          | 238,502  |                    | 238,502                       |
| Child Care Mandatory and Matching Funds of the Child Care and<br>Development Fund -- Match  | 93.596              | 13801810V142                          | 591,271  | 253,113            | 844,384                       |
| Total Child Care Development Fund Cluster   |                     |                                       | 1,519,380                                      | 253,113            | 1,772,493                     |
| Temporary Assistance for Needy Families   | 93.558              | 13801810T242                          | 184,652  | -                  | -                             |
| Foster Care Title IV-E  | 93.658              | 13801817K442                          | 21,299   | 10,620             | -                             |
| Smart Start   |                     |                                       | -  | 540                | -                             |
| State Appropriations  |                     |                                       | -  | 40,787             | -                             |
| Temporary Assistance to Needy Families-MOE  |                     |                                       | -  | 262,007            | -                             |
| Total Subsidized Child Care Cluster   |                     |                                       | 1,725,331                                      | 567,067            | 1,772,493                     |
| Total Administration for Children and Families  |                     |                                       | 2,514,851                                      | 670,502            | 1,772,493                     |
| <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              | XIX-MAP17                             | 9,481  | 2,458              | -                             |
| Medical Assistance Program - MAC  | 93.778              | XIX-MAP17                             | 28,642   | -                  | -                             |
| Medical Assistance Program - Admin  | 93.778              | XIX-MAP17                             | 2,154,874                                      | -                  | -                             |
| Medical Assistance Program - Transp Admin   | 93.778              | XIX-MAP17                             | 43   | -                  | -                             |
| Medical Assistance Program - Transp Service   | 93.778              | XIX-MAP17                             | 135,495  | 67,414             | -                             |
| Medical Assistance Program - State Co Special Asst  | 93.778              | XIX-MAP17                             | 31,307   | -                  | -                             |
| Direct Benefit Payments:  |                     |                                       |  |                    |                               |
| Medical Assistance Program  | 93.778              | XIX-MAP17                             | 72,255,052                                     | 40,684,887         | -                             |
| Total Medicaid Cluster  |                     |                                       | 74,614,894                                     | 40,754,759         | -                             |
| Children's Health Insurance Program:  |                     |                                       |  |                    |                               |
| Children's Health Insurance Program - NC Health Choice - Administration   | 93.767              | CHIP17                                | 97,113   | 136                | -                             |
| Children's Health Insurance Program - NC Health Choice -<br>Direct Benefit Payments   | 93.767              | CHIP17                                | 1,573,738                                      | 9,279              | -                             |
| Total Children's Health Insurance Program   |                     |                                       | 1,670,851                                      | 9,415              | -                             |
| Total Centers for Medicare and Medicaid Services  |                     |                                       | 76,285,745                                     | 40,764,174         | -                             |
| <b>Centers for Disease Control &amp; Prevention</b>   |                     |                                       |  |                    |                               |
| passed through NC Dept of Health & Human Services   |                     |                                       |  |                    |                               |
| <b>Division of Public Health:</b>   |                     |                                       |  |                    |                               |
| Hospital Preparedness Program (HPP) & Public Health Emergency<br>Preparedness (PHEP) Aligned Cooperative Agreements                                 |                     |                                       |  |                    |                               |
| Well-Integrated Screening and Evaluation for<br>Women Across the Nation   | 93.074              | 12642680M8                            | 53,387   | -                  | -                             |
| Project Grants and Cooperative Agreements for<br>Tuberculosis Control Programs  | 93.094              | 1313372CSW                            | 2,350  | -                  | -                             |
| 93.116  | 1460272ANF          | 29,578                                | -  | -                  |                               |
| Injury Prevention and Control Research and State and<br>Community Based Programs  | 93.136              | 117183CFKD                            | 1,499  | -                  | -                             |
| Immunization Cooperative Agreements   | 93.268              | 1331631CEJ                            | 9,141  | -                  | -                             |
| PPHF Capacity Building Assistance to<br>Strengthen Public Health Immunization   |                     |                                       |  |                    |                               |
| Infrastructure and Performance financed in part by Prevention<br>and Public Health Funds  | 93.539              | 1331627CVP, 1331627DVP,<br>1331627EVP | 12,945   | -                  | -                             |
| Cancer Prevention and Control Programs for State, Territorial<br>and Tribal Organizations financed in part by Prevention and<br>Public Health Funds | 93.752              | 1320310DJS, 1320310EJS                | 2,295  | -                  | -                             |
| Preventive Health & Health Services Block Grant funded<br>solely with Prevention and Public Health Funds (PPHF)                                     | 93.758              | 12615503PF                            | 26,707   | -                  | -                             |

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| Grantor/Pass-Through Grantor/Program Title   | Federal CFDA Number | State/Pass-through Grantor's Number | Federal (Direct and Pass-Through) Expenditures | State Expenditures | Pass-Through to Subrecipients |
|--|---------------------|-------------------------------------|--|--------------------|-------------------------------|
| <b>HIV Cluster:</b>  |                     |                                     |  |                    |                               |
| HIV Prevention Activities - Health Department Based  | 93.940              | 1311981DHF                          | 3,000  | -                  | -                             |
| Sexually Transmitted Diseases Control Grants   | 93.977              | 1311462BNB                          | 988  | -                  | -                             |
| Total HIV Cluster  |                     |                                     | 3,988  | -                  | -                             |
| Total Centers for Disease Control and Prevention   |                     |                                     | 141,890  | -                  | -                             |
| <b>Health Resources &amp; Service Administration</b>   |                     |                                     |  |                    |                               |
| passed through NC Dept of Health & Human Services  |                     |                                     |  |                    |                               |
| <b>Division of Public Health:</b>  |                     |                                     |  |                    |                               |
| Healthy Start Initiatives  | 93.926              | 13A1530BJA                          | 153,047  | -                  | -                             |
| Maternal and Child Health Services Block Grant to the States   | 93.994              | 12715745AP                          | 224,797  | 120,986            | -                             |
| Total Health Resources & Service Administration  |                     |                                     | 377,844  | 120,986            | -                             |
| <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                          | 66,365   | -                  | -                             |
| Total Office of Population Affairs   |                     |                                     | 66,365   | -                  | -                             |
| <b>Administration for Community Living</b>   |                     |                                     |  |                    |                               |
| Passed through Division of Aging & Adult Services  |                     |                                     |  |                    |                               |
| <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                               | 40,773   | 2,398              | -                             |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers In Home III-B                   | 93.044              | NC 01                               | 73,399   | 4,318              | -                             |
| 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                               | 57,450   | 3,379              | -                             |
| Special Programs for the Aging, Title III, Part C, Nutrition Services - Home Delivered Meals, Title III-C2                           | 93.045              | NC 01                               | 52,878   | 3,110              | -                             |
| Nutrition Services Incentive Program   | 93.053              | NC 01                               | 18,643   | -                  | -                             |
| Total Aging Cluster  |                     |                                     | 243,143  | 13,205             | -                             |
| <b>Administration for Children and Families</b>  |                     |                                     |  |                    |                               |
| Social Services Block Grant  | 93.667              | NC 01                               | 38,710   | 1,106              | -                             |
| Total Upper Coastal Plain Council of Government  |                     |                                     | 281,853  | 14,311             | -                             |
| <b>Total U.S. Dept. of Health and Human Services</b>   |                     |                                     | <b>83,120,686</b>                              | <b>41,638,615</b>  | <b>1,772,493</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                          | 72,532   | -                  | -                             |
| <b>Total U.S. Department of Education</b>  |                     |                                     | <b>72,532</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:   |                     |                                     |  |                    |                               |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children  | 10.557              | 13A25403GG                          | 1,638,470                                      | -                  | -                             |
| Administration:  |                     |                                     |  |                    |                               |
| WIC Special Supplemental Nutrition Program for Women, Infants, and Children  | 10.557              | 13A25403GG                          | 327,054  | -                  | -                             |
| Total WIC Special Supplemental Nutrition Program for Women, Infants & Children   |                     |                                     | 1,965,524                                      | -                  | -                             |
| <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              | 175NC406S2514                       | 767,591  | -                  | -                             |
| Supplemental Nutrition Assistance Program-Fraud Administration   | 10.561              | 175NC406S2514                       | 38,767   | -                  | -                             |
| Total Supplemental Nutrition Assistance Program Cluster  |                     |                                     | 806,358  | -                  | -                             |

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| Grantor/Pass-Through Grantor/Program Title                               | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct and<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Pass-Through<br>to<br>Subrecipients |
|--|---------------------------|---|---|-----------------------|-------------------------------------|
| Passed through NC Department of Agriculture                              |                           |   |   |                       |                                     |
| <b>Food Distribution Cluster:</b>  |                           |   |   |                       |                                     |
| Commodity Supplemental Food Program                                      | 10.565                    | 04201000CSF                                   | 32,730  | -                     | -                                   |
| Total Food Distribution Cluster  |                           |   | 32,730  | -                     | -                                   |
| <b>Total U.S. Dept. of Agriculture</b>                                   |                           |   | <b>2,804,612</b>  | -                     | -                                   |
| <b><u>U.S. Institute of Museum and Library Services</u></b>              |                           |   |   |                       |                                     |
| Passed through NC Department of Cultural Resources:                      |                           |   |   |                       |                                     |
| Grants to States-LSTA EZ Edge  | 45.310                    | LS-00-15-0034-15                              | 3,515   | -                     | -                                   |
| <b>Total U.S. National Foundation on the Arts</b>                        |                           |   | <b>3,515</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                       | 64,150  | -                     | -                                   |
| <b>Total U.S. Department of Transportation</b>                           |                           |   | <b>64,150</b>   | -                     | -                                   |
| <b><u>U. S. Dept. of Housing and Urban Development</u></b>               |                           |   |   |                       |                                     |
| Passed through NC Department of Environmental Quality                    |                           |   |   |                       |                                     |
| Division of Water Infrastructure   |                           |   |   |                       |                                     |
| Community Development Block Grants/ State's program and Non-Entitlement  |                           |   |   |                       |                                     |
| Grants in Hawaii - 2014 Infrastructure Aeration System                   | 14.228                    | 13-I-2630                                     | 106,014   | -                     | -                                   |
| <b>Total U.S. Dept. of Housing and Urban Development</b>                 |                           |   | <b>106,014</b>  | -                     | -                                   |
| <b><u>U. S. Dept. of Commerce</u></b>                                    |                           |   |   |                       |                                     |
| Passed through NC Department of Commerce                                 |                           |   |   |                       |                                     |
| <b>Economic Development Cluster:</b>                                     |                           |   |   |                       |                                     |
| Investments for Public Works and Economic Development Facilities         | 11.300                    | 04-01-06758                                   | 1,400,000   | -                     | -                                   |
| <b>Total U.S. Dept. of Commerce</b>                                      |                           |   | <b>1,400,000</b>  | -                     | -                                   |
| <b><u>U.S. Department of Justice</u></b>                                 |                           |   |   |                       |                                     |
| Direct Program:  |                           |   |   |                       |                                     |
| Equitable Sharing Program  | 16.922                    | N/A   | 84,692  | -                     | -                                   |
| Passed through the NC Department of Crime Control and Public Safety      |                           |   |   |                       |                                     |
| Juvenile Justice Delinquency Prevention Allocation to States             | 16.540                    | 842-XXXX                                      | 236,362   | -                     | -                                   |
| Edward Byrne Memorial Justice Assistance Grant Program - Gang Task Force | 16.738                    | 2014-DJ-BX-1148                               | 63,301  | -                     | -                                   |
| <b>Total U.S. Department of Justice</b>                                  |                           |   | <b>384,355</b>  | -                     | -                                   |
| <b>TOTAL FEDERAL AWARDS</b>  |                           |   | <b>87,955,864</b>                                       | <b>41,638,615</b>     | <b>1,772,493</b>                    |

STATE AWARDS

**North Carolina Department of Health and Human Services**

|   |  |  |   |         |   |
|---|--|--|---|---------|---|
| <b>Division of Aging:</b>                                 |  |  |   |         |   |
| Passed through Upper Coastal Plain Council of Governments |  |  |   |         |   |
| HCCBG - Access Services                                   |  |  | - | 37,661  | - |
| HCCBG - Home-Delivered Meals                              |  |  | - | 23,703  | - |
| HCCBG - In-Home Services                                  |  |  | - | 249,362 | - |
| Total Upper Coastal Plain Council of Governments          |  |  | - | 310,726 | - |
| <b>Division of Public Health:</b>                         |  |  |   |         |   |
| Food and Lodging Fees                                     |  |  | - | 16,481  | - |
| General Aid to Counties                                   |  |  | - | 141,135 | - |
| General Communicable Disease Control                      |  |  | - | 2,293   | - |
| Breast and Cervical Cancer Program                        |  |  | - | 2,295   | - |
| Innovative Approaches                                     |  |  | - | 112,740 | - |
| Child Health  |  |  | - | 108,925 | - |
| HMHC - Family Planning                                    |  |  | - | 27,413  | - |
| Maternal Health (HMHC)                                    |  |  | - | 5,851   | - |
| Women's Health Service Fund                               |  |  | - | 12,868  | - |
| HIV/STD State   |  |  | - | 100     | - |
| HIV/STD Social Services Block Grant Aid                   |  |  | - | 400     | - |
| Triple P  |  |  | - | 123,100 | - |

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| <u>Grantor/Pass-Through Grantor/Program Title</u>                     | <u>Federal<br/>CFDA<br/>Number</u> | <u>State/<br/>Pass-through<br/>Grantor's<br/>Number</u> | <u>Federal<br/>(Direct and<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> | <u>Pass-Through<br/>to<br/>Subrecipients</u> |
|---|------------------------------------|---|---|-------------------------------|--|
| School Nurse Funding Initiative                                       |                                    |   | -   | 250,000                       | -  |
| Tuberculosis  |                                    |   | -   | 66,352                        | -  |
| TB Medical Services   |                                    |   | -   | 2,518                         | -  |
| Total Division of Public Health                                       |                                    |   | -   | 872,471                       | -  |
| <b>Division of Social Services:</b>                                   |                                    |   |   |                               |  |
| Administration:   |                                    |   |   |                               |  |
| St Child Welfare/Coastal Political Subdivisions/CS LD                 |                                    |   | -   | 162,986                       | -  |
| DCD Smart Start   |                                    |   | -   | 26,245                        | -  |
| Energy Assist Private Grants  |                                    |   | -   | 1,739                         | -  |
| AFDC Incent/Prog Integrity  |                                    |   | -   | 582                           | -  |
| Direct Benefits Payments:   |                                    |   |   |                               |  |
| CWS Adoption Subsidy & Vendor   |                                    |   | -   | 105,159                       | -  |
| Extended FC/MAX Non IV-E  |                                    |   | -   | 10,893                        | -  |
| F/C At Risk Maximization  |                                    |   | -   | 1,249                         | -  |
| SAA/SAD HB 130  |                                    |   | -   | 31,416                        | -  |
| State/County Special Assistance for Adults                            |                                    |   | -   | 626,236                       | -  |
| SFHF Maximization   |                                    |   | -   | 24,042                        | -  |
| State Foster Home   |                                    |   | -   | 21,234                        | -  |
| Total Division of Social Services                                     |                                    |   | -   | 1,011,781                     | -  |
| <b>Total NC Dept of Health and Human Services</b>                     |                                    |   | -   | <b>2,194,978</b>              | -  |
| <b>North Carolina Department of Transportation</b>                    |                                    |   |   |                               |  |
| Rural Operating Assistance Program (ROAP) Cluster:                    |                                    |   |   |                               |  |
| Rural General Public Transportation                                   |                                    |   | -   | 86,220                        | -  |
| Elderly and Handicapped Transportation                                |                                    |   | -   | 76,553                        | -  |
| Work First Employment Transportation                                  |                                    |   | -   | 16,020                        | -  |
| Total Rural Operating Assistance Program Cluster                      |                                    |   | -   | 178,793                       | -  |
| <b>Total NC Department of Transportation</b>                          |                                    |   | -   | <b>178,793</b>                | -  |
| <b>North Carolina Department of Correction</b>                        |                                    |   |   |                               |  |
| Criminal Justice Co-op Student Incentive Program                      |                                    |   | -   | 73,039                        | -  |
| Teen Court  |                                    |   | -   | 10,028                        | -  |
| <b>Total NC Department of Correction</b>                              |                                    |   | -   | <b>83,067</b>                 | -  |
| <b>North Carolina Department of Crime Control &amp; Public Safety</b> |                                    |   |   |                               |  |
| Emergency Management - Supplement Award                               |                                    |   |   |                               |  |
|   |                                    |   | -   | 38,584                        | -  |
| Division of Governor's Crime Commission                               |                                    |   |   |                               |  |
| Internet Crimes Against Children (ICAC) State Task Force              |                                    |   | -   | 18,127                        | -  |
| <b>Total NC Dept of Crime Control &amp; Public Safety</b>             |                                    |   | -   | <b>56,711</b>                 | -  |
| <b>North Carolina Department of Commerce</b>                          |                                    |   |   |                               |  |
| Building Reuse:   |                                    |   |   |                               |  |
| Meherrin Building Reuse   |                                    |   | -   | 210,000                       | -  |
| Weldon Steel Building Reuse   |                                    |   | -   | 1,690                         | -  |
| Enfield Timber Building Reuse   |                                    |   | -   | 294,560                       | -  |
| Total Building Reuse  |                                    |   | -   | 506,250                       | -  |
| CDBG Economic Development - KL2 Rail Spur                             |                                    |   | -   | 382,420                       | -  |
| <b>Total NC Dept of Commerce</b>                                      |                                    |   | -   | <b>888,670</b>                | -  |
| <b>North Carolina Department of Cultural and Natural Resources</b>    |                                    |   |   |                               |  |
| Division of State Library:  |                                    |   |   |                               |  |
| State Aid to Libraries  |                                    |   | -   | 97,983                        | -  |
| <b>Total NC Dept of Cultural and Natural Resources</b>                |                                    |   | -   | <b>97,983</b>                 | -  |
| <b>North Carolina Department of Environmental Quality</b>             |                                    |   |   |                               |  |
| Division of Natural Resources:  |                                    |   |   |                               |  |
| Economic & Physical Development State Grant                           |                                    |   | -   | 3,600                         | -  |
| State Cost Share  |                                    |   | -   | 20,589                        | -  |
| Division of Waste Management:   |                                    |   |   |                               |  |
| Scrap Tires Grant   |                                    |   | -   | 8,866                         | -  |
| <b>Total NC Department of Environmental Quality</b>                   |                                    |   | -   | <b>33,055</b>                 | -  |

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED JUNE 30, 2017

| Grantor/Pass-Through Grantor/Program Title                     | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Federal<br>(Direct and<br>Pass-Through)<br>Expenditures | State<br>Expenditures | Pass-Through<br>to<br>Subrecipients |
|--|---------------------------|---|---|-----------------------|-------------------------------------|
| <b><u>North Carolina Department of Insurance</u></b>           |                           |   |   |                       |                                     |
| Division of Senior Health Insurance and Information Program:   |                           |   |   |                       |                                     |
| SHIIP Grant  |                           |   | -   | 3,691                 | -                                   |
| SHIIP MIPPA Grant  |                           |   | -   | 2,593                 | -                                   |
| <b>Total NC Department of Insurance</b>                        |                           |   | <b>-</b>  | <b>6,284</b>          | <b>-</b>                            |
| <b><u>North Carolina Department of Administration</u></b>      |                           |   |   |                       |                                     |
| Department of Veteran's Affairs                                |                           |   |   |                       |                                     |
|  |                           |   | -   | 2,000                 | -                                   |
| <b>Total NC Dept of Admin</b>                                  |                           |   | <b>-</b>  | <b>2,000</b>          | <b>-</b>                            |
| <b><u>North Carolina Department of Public Instruction</u></b>  |                           |   |   |                       |                                     |
| Public School Building Capital Fund - ADM funds                |                           |   |   |                       |                                     |
|  |                           |   | -   | 200,000               | -                                   |
| Public School Building Capital Fund - Lottery Funds            |                           |   | -   | 863,186               | 863,186                             |
| <b>Total NC Department of Public Instruction</b>               |                           |   | <b>-</b>  | <b>1,063,186</b>      | <b>863,186</b>                      |
| <b><u>North Carolina Rural Economic Development Center</u></b> |                           |   |   |                       |                                     |
| NC Rural Economic Development Center Grant - KL2 Rail Spur     |                           |   |   |                       |                                     |
|  |                           |   | -   | 872,000               | -                                   |
| Meadows Wastewater Cluster Systems                             |                           |   | -   | 22,402                | -                                   |
| <b>Total NC Rural Economic Development Center</b>              |                           |   | <b>-</b>  | <b>894,402</b>        | <b>-</b>                            |
| <b>TOTAL STATE AWARDS</b>                                      |                           |   | <b>-</b>  | <b>5,499,129</b>      | <b>863,186</b>                      |
| <b>Total Federal and State awards</b>                          |                           |   | <b>\$ 87,955,864</b>                                    | <b>\$ 47,137,744</b>  | <b>\$ 2,635,679</b>                 |

**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, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. 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 Cluster, Foster Care and Adoption Assistance Cluster, and HIV Cluster