

HALIFAX COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared by:
Office of Budget and Finance

Submitted by:
Mary W. Duncan
Finance Director

HALIFAX COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION



State of North Carolina County of Halifax

DIA H. DENTON
COUNTY MANAGER

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

November 28, 2023

Board of County Commissioners
and the Citizens of Halifax County

We are pleased to present the annual comprehensive financial report (ACFR) of Halifax County, North Carolina, for the fiscal year ended June 30, 2023. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Mauldin & Jenkins, CPAs. 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 it is 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 that 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 discreetly 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

Where the Spirit of Independence Was Born

Development Authority receives 97% of the occupancy tax collected in Halifax 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 Fourth 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 Highway 301.

The most recent census reports Halifax County's population at 47,848. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 14,856.

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 Graded School District, Halifax Community College, and the Upper Coastal Plain Council of Governments. Because County allocations do not constitute a major portion of their revenues and the County has no authority to designate their management, none of these organizations have been included in this report.

Economic Conditions and Outlook

Halifax County's location on Interstate 95, rail infrastructure, and proximity to intermodal and port facilities continue to generate economic development opportunities for our citizens.

Halifax County's economy is strongly rooted in healthcare, tourism, manufacturing, and agriculture. The County ranks #1 in cotton and #5 in peanut production in North Carolina. Major manufacturing sectors represented in Halifax County include plastics; forest products, including paper; food processing; and advanced manufacturing. ECU Health North Hospital and Rural Health Group have a significant medical presence in Halifax County that enhances the quality of life for residents of Halifax County.

Steady economic growth continued in Halifax County during the past 12 months. This growth has been fueled by declining unemployment, increased retail sales, steady increases in the number and value of building permits, new and expanding industry investments, and new housing construction.

Halifax County's average unemployment rate for FY 22-23 was 5.4% compared to 6.4% the previous fiscal year. Gross retail sales increased to \$707,338,230, an increase of 7.1% increase over FY 21-22 and a record level of retail sales reported for Halifax County. Additionally, annual visitor spending totaled \$121.7 million in 2022, a 2.2% increase over 2021.

The economy in Halifax County is well diversified with the largest sectors of employment comprised of agriculture, health care and social assistance, manufacturing, retail trade, accommodations and food services, and educational services.

Recent Initiatives

The trending positive economic growth can be directly attributed to the construction of new and expanding manufacturing facilities. In FY 22-23 Binderholz LLC invested over \$40 million in their lumber manufacturing operation. Additional expansions were announced by Reser's Fine Foods and Heaton Construction. Stella-Jones, a utility pole manufacturer, is building a new facility on US Highway 301 south of Enfield. Roseburg Forest Products is in the final stages of construction of a \$230 million lumber production facility in Weldon that will create 137 jobs with an average annual wage of \$50,707.

Carolina Star Hospitality LLC officially broke ground for a new Fairfield by Marriott Inn and Suites at the intersection of Interstate 95 and US Highway 158. Site work is underway with completion in late 2024.

Throughout the cities and towns in Halifax County, revitalization and investment projects are underway including a new brewery in Littleton, a new steakhouse in Scotland Neck, and new apartments in Roanoke Rapids. These projects showcase the positive business climate for Halifax County and its municipalities.

The County continues to work with NCDOT and the Town Weldon toward prioritization of the Weldon Passenger Rail project for the next State Transportation Improvement Program (STIP). An additional focus for this station will be a Raleigh to Weldon connection that will open the door even wider for our citizens to access to health, education, and commerce.

Broadband continues to be a critical area for improvement. The county designated \$2 million of ARPA-enabled funds to the betterment of broadband service in Halifax County. GREAT Grants have been awarded to two Internet Service Providers (ISPs), Zitel and Brightspeed, partnering with the County to deploy fiber broadband in various areas of the county, and a portion of these ARPA-enabled funds will be used as matching funds for these projects. Halifax County is also working to assist ISP AccessOn with their efforts for fiber deployment in the Hollister community through the USDA ReConnect program.

The County Information Technology Services (ITS) department invited the National Guard to conduct a cybersecurity assessment of our network. A National Guard team visited the

county and conducted tests and scans of all computers. The County awaits the report from the National Guard to identify gaps in our cybersecurity efforts in order to prioritize funds to address these issues.

With continued progress in the opioid settlement and receipt of annual funding, Halifax County is working with internal departments, municipalities, and other vested entities to create an action plan for the most impactful use of opioid settlement funds to include but not be limited to Medication-Assisted Treatment (MAT) in the detention center, employment of a Community Care Paramedic, and partnership with treatment facilities to ensure all citizens with OUD have access to care without the barriers of either money or transportation.

As lead entity of the Choanoke Area Housing Consortium, Halifax County worked with consultant Civitas, Inc. to conduct citizen surveys and facilitate listening sessions in each of the five Consortium counties to discuss the affordable housing needs and challenges and to create a consolidated plan and annual action plan for the Consortium. Halifax County was notified of HUD's approval of the consolidated plan and action plan and confirmation of FY 2023 funding in the amount of \$854,162 and will be working with each of the Consortium counties and municipalities to identify affordable housing projects.

The Public Utilities water meter replacement program continues with the goal of keeping manual read meters under 500. The unavailability of replacement meters and transmitters due to supply chain issues negatively impacted this goal during FY 22-23. Price increases for FY 23-24 will further negatively impact this program.

Public Utilities was able to post the Consumer Confidence Report on the county website and meet the State of NC's requirements for notification. This procedural change resulted in the elimination of printing costs and postage for this required annual notification.

Grant funds for a Wastewater Asset Inventory and Assessment were awarded to the county for \$150,000 to survey the condition of the current Wastewater system and identify any deficiencies in capacity or operation.

The out-sourced hydrant maintenance contract was not renewed in FY22-23. The decision was made to create two new positions and take this program "in house" to provide direct oversight and accountability.

The Solid Waste Division was able to negotiate with the Bertie County Landfill to accept years of accumulated mulch from grinding yard waste and land clearing debris at no charge. Bertie was in need of a clean source of daily cover to meet their permit requirements and our facility was in need of additional space. Transportation expense was the only cost to find a new home for this unwanted material.

The Solid Waste Division continues to operate the Transfer Station for transfer of municipal solid waste to a landfill in Waverly, VA. Asbestos and C&D material that would damage the Transfer Station facility are being disposed of in our C&D landfill.

A new contract with Unity of the Carolinas was negotiated, accepted and approved for continued Residential Trash and Recycling Collection. The decision to move to the collection of Recycling on a bi-weekly basis resulted in savings for citizens of Halifax County.

Looking forward to FY23-24 we are planning projects for the Water System which will result in an improved system reliability and operational efficiency. In the Solid Waste Division, we hope to purchase a grinder to help with the reduction of the cost of handling and disposing of scrap tires.

The Halifax-Northampton Regional Airport, a partnership between Halifax County, Northampton County, and the City of Roanoke Rapids, continues to increase in use by the U.S. military as a training ground and by pilots as a resting point. Fuel sales increased as the airport has grown into a stopping point for long-distance pilots.

The County provided the three public school systems with \$5,735,566 in current expenses and \$3,669,812 in capital outlay funds. Halifax Community College received \$1,187,851 in operating funds and \$276,427 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

Collaborating with its private partner, Halifax County Business Horizons, Inc., a “Ready-For-Reuse” designation for the 54-acre former Westpoint Stephens site in Roanoke Rapids has been approved and a draft Brownfields agreement has been negotiated and ready for public notice. This agreement will pave the way for reuse of this former textile manufacturing facility for new industrial development.

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 its 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 a 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 a 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 the following: (1) the safeguarding of assets against loss from unauthorized use or disposition; (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 the following: (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, 2023, provided no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

Enterprise Operations

The Water/Wastewater Division is responsible for providing safe drinking water to approximately 20,250 rural county residents, and for the collection and disposal of wastewater from approximately 1,100 rural county residents. The Water Division is funded through water and wastewater charges. Rates are adjusted annually to ensure that funds are available for repayment of debt and for daily operations and maintenance. Team members have been encouraged to seek Operator Certification in Water and Wastewater and are taking advantage

of those opportunities. Continuing Education opportunities will be utilized to allow our staff to become more proficient in the operation and maintenance of the system.

The Solid Waste Division is responsible for collection and disposal of household garbage and recyclables for approximately 14,300 households through a contract with Unity of the Carolinas. The Solid Waste Division operates one county owned centrally located C&D landfill, a transfer station for MSW, and seven manned convenience sites located strategically throughout the County for use by residents to dispose of furniture, yard waste, appliances, electronics, and tires. The Division, which also processes White Goods disposals and scrap tires, is funded through annual solid waste fees and tipping fees which are adjusted annually. Tipping fees are charged to each commercial client at the landfill and County transfer station.

Halifax County's enterprise operations are comprised of one department with two separate and distinct divisions: Water/Wastewater Division and Solid Waste Division. Except for administrative staff, each division has a separate staff and budget and operates independently from the other.

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 Mauldin & Jenkins, CPA located in Columbia, South Carolina was selected by the Board of Commissioners after audit request for proposals were submitted.

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

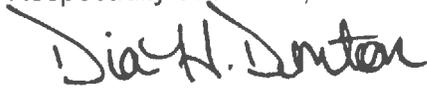
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the 24th consecutive year Halifax County 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 Department 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,



Dia H. Denton
County Manager



Mary W. Duncan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Halifax County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2023

Board of Commissioners

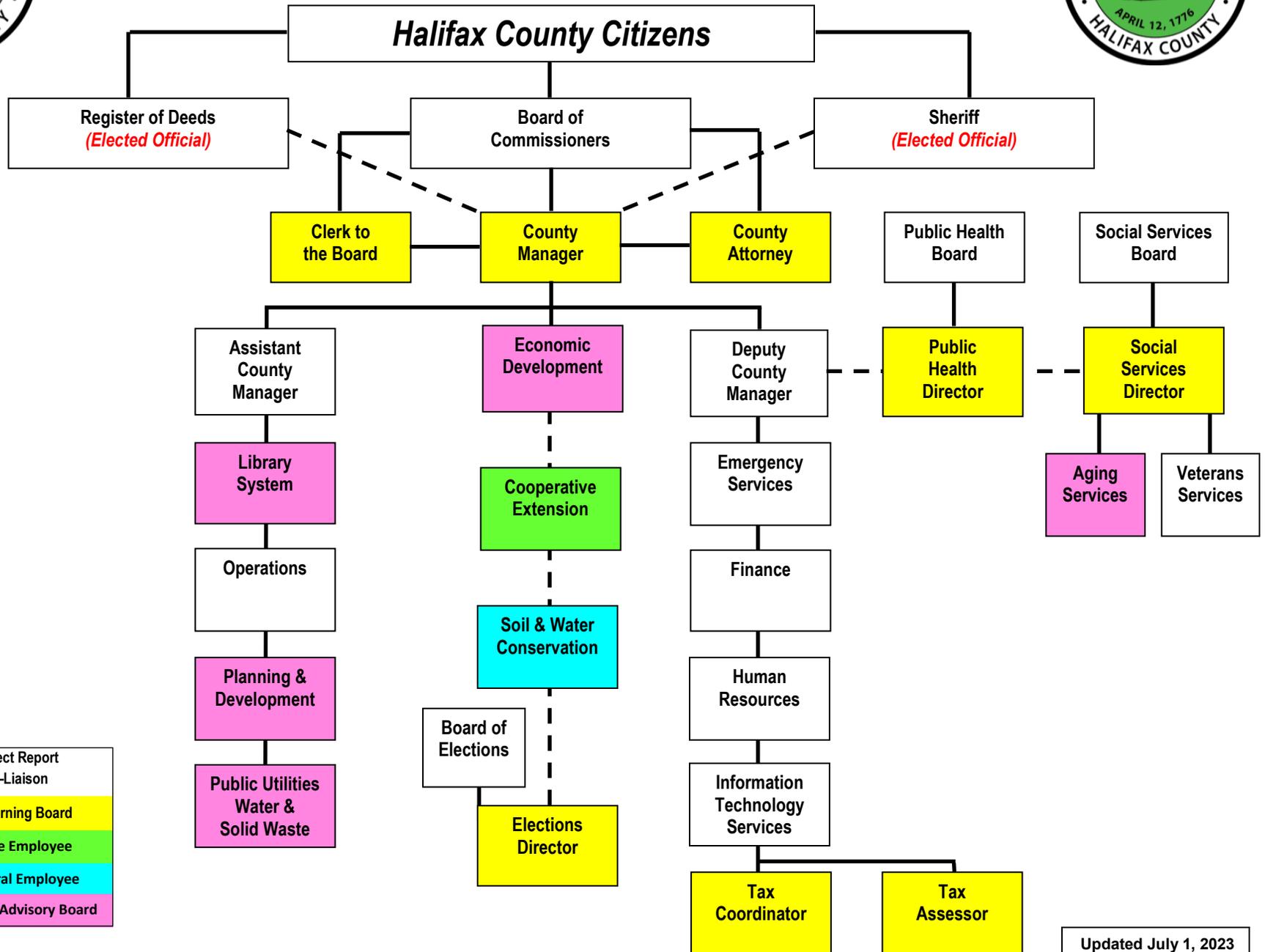
Vernon J. Bryant, Chairman
Linda A. Brewer, Vice-Chairman
Carolyn C. Johnson
John Smith
Chenoa Richardson Davis
Sammy D. Webb

Administrative Officials

Dia H. Denton, County Manager
C. Renee Perry, Deputy County Manager
Christina P. Wells, Assistant County Manager
Mary W. Duncan, Finance Director
M. Glynn Rollins, Jr., County Attorney
Christie C. Avens, Register of Deeds
Tyree Davis, Sheriff
Bruce L. Robistow, Director of Health Services
Felicia Exum, Director of Social Services
Brenda Faithful, Director of Library



Organizational Chart Halifax County, North Carolina



Solid Line—Direct Report
Dashed Line—Liaison
Reports to a Governing Board
Director is a State Employee
Director is a Federal Employee
Coordinates with an Advisory Board

Updated July 1, 2023

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Halifax County
Halifax, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Halifax County, North Carolina** (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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 the County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Halifax County ABC Board (the "ABC Board"), which represents 67%, 62% and 85% of the assets, net position, and revenues, respectively of the aggregate discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to the County's pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, and the 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 of North Carolina Single Audit Implementation Act (collectively, "the supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the title pages, introductory section, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that 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 the 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 County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Raleigh, North Carolina
November 27, 2023

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, 2023. 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 \$62,432,630. The County’s net position of governmental activities exhibited an increase of \$10,859,607 with the business-type activities showing an increase of \$481,818 resulting in the government’s total net position increasing by \$11,341,425.

As of the close of the current fiscal year, Halifax County’s governmental funds reported combined ending fund balances of \$64,827,817 after a net increase of \$11,118,908. Approximately 45.9% of this total amount, or \$29,753,660 is restricted.

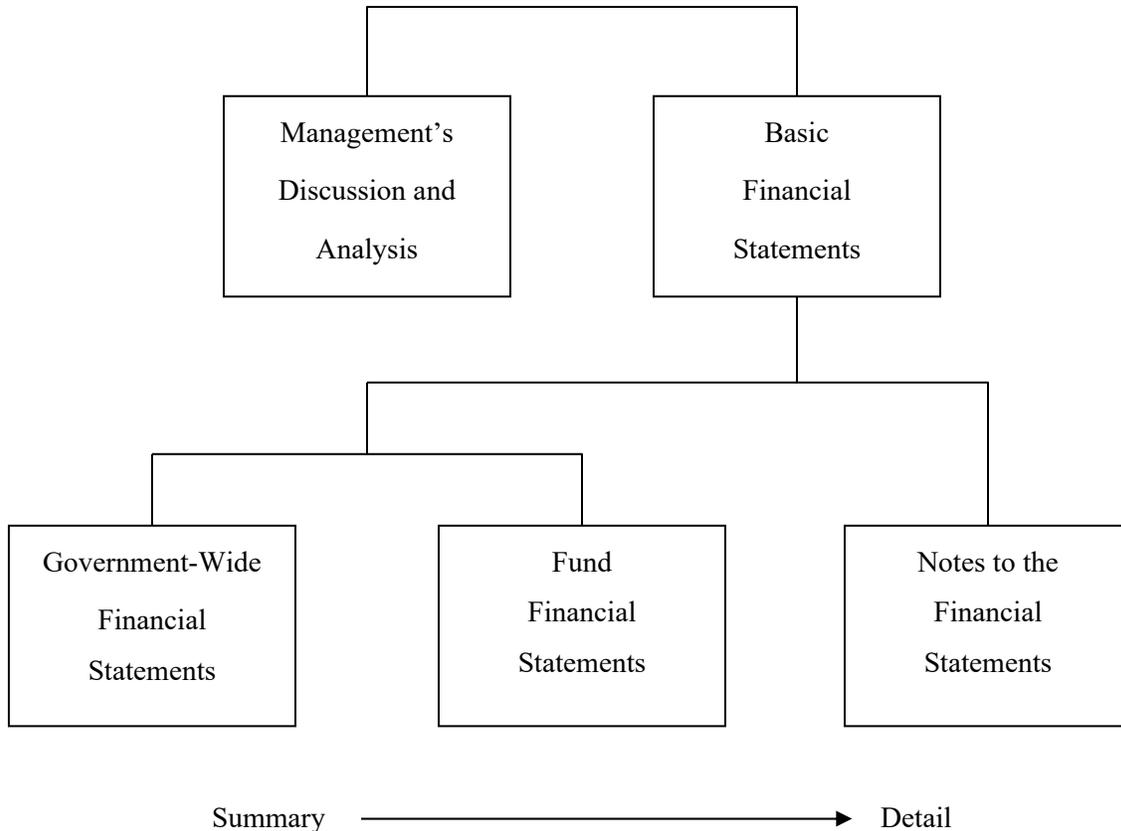
The County’s unassigned fund balance for the General Fund was \$29,920,196, or 41.7%, of net General Fund expenditures and transfers out at the close of the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management’s Discussion and Analysis is intended to serve as an introduction to the County’s basic financial statements. The County’s basic financial statements 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 next section is the **Notes to the Financial Statements**. The notes explain in detail some of the data contained in the statements. Following the notes, **Supplemental Information** provides details of the County's non-major 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** which provide short and long-term information about the County's financial status as a whole.

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows, with the difference being 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. The Halifax County ABC Board is legally separate from the County however the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County. Financial information for these component units is reported separately from the financial information presented for primary government.

FUND FINANCIAL STATEMENTS

The fund financial statements provide a more detailed look at the County's most significant activities. 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 (or non-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 resource 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. The relationship

between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 statement 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.

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.

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 30 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 annual report. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found on pages 75 through 90 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Halifax County's Net Position

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 72,873,678	\$ 69,197,412	\$ 10,617,145	\$ 9,580,775	\$ 83,490,823	\$ 78,778,187
Restricted assets	1,885,696	1,571,652	101,059	99,127	1,986,755	1,670,779
Capital assets	16,381,267	16,796,174	24,482,891	27,415,774	40,864,158	44,211,948
Total Assets	91,140,641	87,565,238	35,201,095	37,095,676	126,341,736	124,660,914
Deferred Outflows of Resources						
	15,077,003	12,030,874	424,232	255,179	15,501,235	12,286,053
Liabilities:						
Current Liabilities	8,724,739	15,857,322	2,163,858	2,141,800	10,888,597	17,999,122
Non-current liabilities	46,078,389	38,958,856	20,172,751	21,165,723	66,251,140	60,124,579
Total liabilities	54,803,128	54,816,178	22,336,609	23,307,523	77,139,737	78,123,701
Deferred Inflows of Resources						
	3,261,902	7,486,927	8,702	245,134	3,270,604	7,732,061
Net Position:						
Net investment in capital assets	15,998,770	15,872,923	9,856,429	10,450,183	25,855,199	26,323,106
Restricted	28,392,863	26,492,533	-	-	28,392,863	26,492,533
Unrestricted	3,760,981	(5,072,449)	4,423,587	3,348,015	8,184,568	(1,724,434)
Total Net Position	\$ 48,152,614	\$ 37,293,007	\$ 14,280,016	\$ 13,798,198	\$ 62,432,630	\$ 51,091,205

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 \$62,432,630 at fiscal year-end. Net position increased in the current fiscal year due to the increases in property tax collections, above average sales tax collections as well as the continuation of reduced departmental spending for several reason, availability continues to be an issue as well as increased costs; departments were more selective in purchases. \$25,855,199 (41.4%) reflects the County's investment in capital assets such as land, buildings, equipment, vehicles, right-to-use lease assets 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.

\$28,392,863 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,312,490	\$ 7,291,687	\$ 11,741,139	\$ 10,920,691	\$ 19,053,629	\$ 18,212,378
Operating Grants and Contributions	25,047,820	17,536,509	-	-	25,047,820	17,536,509
Capital Grants and Contributions	-	1,634,270	-	-	-	1,634,270
General Revenue:						
Property Taxes	39,071,997	38,159,463	-	-	39,071,997	38,159,463
Local Option Sales Tax	13,738,387	12,829,655	-	-	13,738,387	12,829,655
Other Taxes	871,892	808,691	-	-	871,892	808,691
Interest & Other	1,995,084	65,896	230,707	6,526	2,225,791	72,422
Total Revenues	88,037,670	78,326,171	11,971,846	10,927,217	100,009,516	89,253,388
Expenses:						
General Government	9,856,412	12,414,887	-	-	9,856,412	12,414,887
Public Safety	23,740,255	20,412,660	-	-	23,740,255	20,412,660
Economic & physical Development	3,931,779	3,995,680	-	-	3,931,779	3,995,680
Human Services	21,707,585	21,852,551	-	-	21,707,585	21,852,551
Cultural & Recreational	836,462	855,036	-	-	836,462	855,036
Education	16,599,521	15,194,260	-	-	16,599,521	15,194,260
Interest and fees	507,273	566,697	-	-	507,273	566,697
Water and Sewer	-	-	7,086,756	6,784,064	7,086,756	6,784,064
Landfill/Solid Waste	-	-	4,402,048	4,389,898	4,402,048	4,389,898
Total Expenses	77,179,287	75,291,771	11,488,804	11,173,962	88,668,091	86,465,733
Revenue Over (Under) Expenses	10,858,383	3,034,400	483,042	(246,745)	11,341,425	2,787,655
Transfers	1,224	255	(1,224)	(255)	-	-
Change in New Position	10,859,607	3,034,655	481,818	(247,000)	11,341,425	2,787,655
Net Position:						
Beginning of Year July 1	37,293,007	34,258,352	13,798,198	14,045,198	51,091,205	37,422,065
End of Year - June 30	\$ 48,152,614	\$ 37,293,007	\$ 14,280,016	\$ 13,798,198	\$ 62,432,630	\$ 51,091,205

Governmental Activities

Of total net position, operating grants and contributions funded \$25,047,820 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2023, interest revenues began to make a positive move along with the economy's inflation rate 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 increasing. The Commissioners continue to be aggressive in pursuing businesses through economic development incentives of building reuse grants and other infrastructure needs. The County was able to off-set general government expenses by using ARPA funds as revenue replacement. \$7.7 million of the \$9.7 in ARPA funds have been transferred from unearned revenue. The County's expenses increased slightly from fiscal year 2022 to fiscal year 2023 mostly due to inflationary pressures driving up the costs of goods required in providing County services.

Business-Type Activities

Business-type activities increased the County's net position by \$481,818. 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. This was an improvement from the prior fiscal year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus of Halifax County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. This difference in focus and purpose creates significant variances between the governmental fund financial statements of the government-wide financial statements. 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, unassigned fund balance available in the General Fund was \$29,920,196, while total fund balance reached \$57,776,280. The County currently has an available fund balance of 41.7% (unassigned) of General Fund expenditures and transfers out, while total fund balance represents 80.5% of that same amount. The Board of Commissioners has determined that the County maintain a minimum of 18% of general fund expenditures in the case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County.

At June 30, 2023, the governmental funds of Halifax County reported a combined fund balance of \$64,827,817, a 20.7% increase from fiscal year 2022 which can be largely attributed to the use of the standard allowance for revenue replacement of Coronavirus State and Local Fiscal Recovery Funds (ARPA Funds) by transferring those funds to the General Fund for the provision of government services. The American Rescue Plan Act permitted governments to use up to \$10 million for this purpose and the County utilized approximately \$7.7 million.

For the year ended June 30, 2023, the net change in fund balances per the governmental funds showed an increase of \$11,118,908, while the governmental activities column of the government-wide financial statements indicated an increase of \$10,859,607 in net position. A major contributing factor to this difference is due to the reporting of debt service and capital outlays as expenditures in the governmental funds, but as balance sheet/capital items (i.e., not expenses immediately, but rather over the life of the assets) on the government-wide statements.

Fund balance may serve as a useful measure of a government's net resources available for spending. Approximately \$29.8 million of the total governmental fund balances constitutes restricted fund balance, which is available for spending within the constraints of each particular fund. The remainder of the fund balance is available for spending at the County's discretion.

Special revenue funds are used to account for specific revenue sources and their related expenditures. The aggregate fund balance of all special revenue funds was \$1,943,091 at year-end. The County has established a Capital Reserve Fund for major capital improvements requiring Board authority for use. All the fund balances for special revenue funds are considered restricted. The County was the recipient of several pass-through grants to municipalities for flood mitigation. Roanoke Rapids received \$1,000,000; Scotland Neck and Littleton each received \$250,000 and the Underground Railroad was awarded \$50,000 towards the establishment of a museum. Roanoke Rapids and Scotland Neck have completed most of their projects whereas Littleton and Underground Railroad have not started. Opioid funds have been received in the amount of \$266,234 as of June 30, 2023, with more disbursements anticipated along with additional settlements being reached. Meetings have been held to discuss the best use of these opioid funds.

Economic Development Funds (Capital project funds) reported expenditures of \$2,434,534 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. Halifax County Schools new Pre-K – 8 and Weldon City Schools are still in the design phase; demolition and construction will begin in calendar year 2024.

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 \$1,261,934 and the Water Fund totaled \$13,018,082 for a cumulative total of \$14,280,016. 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, 2023, total net position amounted to \$2,663,049 which is an increase of \$160,382 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 \$6,444,765 this increase can be tied to ARPA revenue replacement, property tax collections, above average sales tax collections and continued conservative spending.

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, 2023, amounts to \$41,864,158 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, solid waste convenience sites, and right-to-use lease assets. The decrease in the County's capital assets for the current fiscal year was approximately 5.3%.

Halifax County's Capital Assets

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Improvements	\$ 4,131,740	\$ 4,131,740	\$ 463,850	\$ 463,850	\$ 4,595,590	\$ 4,595,590
Buildings	30,074,290	30,064,540	57,136,762	57,136,762	87,211,052	87,201,302
Equipment	6,327,242	5,714,580	4,850,604	4,835,410	11,177,846	10,549,990
Vehicles	5,401,236	5,757,555	1,321,950	1,392,435	6,723,186	7,149,990
Leased Assets - Vehicles	1,619,773	1,143,552	-	-	1,619,773	1,143,552
Construction in Progress	1,055,191	944,118	-	-	1,055,191	944,118
Sub-total	48,609,472	47,756,085	63,773,166	63,828,457	112,382,638	111,584,542
Less: Accumulated depreciation/amortization	(32,228,205)	(30,959,911)	(38,290,275)	(36,412,683)	(70,518,480)	(67,372,594)
Total	\$ 16,381,267	\$ 16,796,174	\$ 25,482,891	\$ 27,415,774	\$ 41,864,158	\$ 44,211,948

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

Prior to implementation of GASB No. 34, accumulated depreciation/amortization and depreciation/amortization expenses were required to be reported only in the enterprise funds and internal service funds. With the implementation of GASB 34, accumulated depreciation/amortization 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/amortization expenses were reported in the Statement of Activities. Please refer to the notes to financial statements beginning on page 45 for further details regarding capital assets.

Long-Term Debt

A significant component of the County's debt is the general obligation bonds, at \$12,110,237 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 \$336.5 million. 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**

	Business Type Activities	
	2023	2022
General Obligation Bonds	\$ 12,110,237	\$ 13,221,953
Revenue Bonds	2,252,000	2,304,000
Total	\$ 14,362,237	\$ 15,525,953

The County’s general obligation debt per capita is \$253.10 as of June 30, 2023, while the County’s gross debt per capita is \$653.99.

Additional information of the County’s long-term debt can be found beginning on page 48 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 2023 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 19,119 and has an unemployment rate of 5.4% as of June 30, 2023. This compares unfavorably to both the State’s unemployment rate of 3.3% and to the United States’ rate of 3.6% for the same period. The labor force, per Employment Security Commission charts, showed a decrease, and unemployment rate also decreased in comparison to the prior fiscal year and can be attributable to the pandemic recovery.
- Inflationary trends in the region compare favorably to national indices.
- The population of 47,848 has continued to decrease from 2022 by approximately .9%.

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2023-2024

Governmental Activities

The County’s most current property revaluation was effective January 1, 2020. The revaluation brought properties up to market values as it had been 5 years since the previous revaluation where the tax rate had been 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; this is shown as a separate line item in the adopted budget ordinance. The tax rate for fiscal year 2023 is \$.71 per \$100 in conjunction with the debt service value of \$.05. The County’s current property valuation is \$3.7 billion dollars and the budgeted property collection rate for Fiscal Year 2023 is 97.5%.

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Halifax County's sales tax revenues were not impacted due to the Covid-19 pandemic. Sales tax in fiscal year 23 exceeded the budgeted amount by \$2,446,811. Revenues from earned interest are beginning to increase and have exceeded the projected earnings but the County will still use conservative budgeting estimates. Expenditure modifications implemented in prior fiscal years were carried forward into fiscal year 2024.

Halifax County received \$9.7 million in ARPA funding to assist with Covid-19 recovery; \$7.7 million was transferred into the General Fund through the Revenue Replacement method. The majority of these funds will be transferred in FY 24 into the Capital Reserve Fund for major infrastructure improvements.

Economic development will continue to be emphasized during the 2023-2024 fiscal year. In conjunction with the NC Department of Commerce, several economic incentive packages are being developed for existing business expansions. Six industrial sites are being promoted with emphasis on the proximity to the Halifax-Northampton Regional Airport.

Business-Type Activities

The 2024 budgeted expenditures for the Solid Waste Fund are \$4,792,637 as compared to \$4,649,010 in fiscal year 2023. Public Utilities – Water Division's FY 23 budgeted expenditures are \$6,860,084 which is an increase of \$139,080 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.

HALIFAX COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government			Component Units	
	Government Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
ASSETS					
Cash and cash equivalents	\$ 62,772,244	\$ 8,944,393	\$ 71,716,637	\$ 1,689,462	\$ 1,751,629
Receivables, net of allowance for uncollectibles	7,954,374	1,563,558	9,517,932	-	-
Taxes receivable, net of allowance for uncollectibles	2,133,061	-	2,133,061	-	-
Due from other governments	13,999	39,235	53,234	141,213	-
Inventories	-	69,959	69,959	-	698,783
Restricted cash and cash equivalents	1,839,051	101,059	1,940,110	-	-
Net pension asset	46,645	-	46,645	-	-
Capital assets:					
Nondepreciable	5,186,931	436,727	5,623,658	-	275,222
Depreciable, net of accumulated depreciation	10,044,845	25,046,164	35,091,009	-	1,023,600
Lease assets, net	1,149,491	-	1,149,491	-	-
Total assets	91,140,641	36,201,095	127,341,736	1,830,675	3,749,234
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	10,892,840	424,232	11,317,072	78,623	182,568
OPEB related items	4,184,163	-	4,184,163	1,759	115,597
Total deferred outflows of resources	15,077,003	424,232	15,501,235	80,382	298,165
LIABILITIES					
Accounts payable	2,238,155	390,070	2,628,225	39,035	612,802
Accrued liabilities	308,520	55,797	364,317	-	34,330
Customer deposits	-	323,130	323,130	-	-
Interest payable	72,393	-	72,393	-	-
Unearned revenue	2,000,000	-	2,000,000	-	-
Claims payable	473,383	-	473,383	-	-
Installment notes from direct borrowing, due within one year	2,435,006	1,139,115	3,574,121	-	-
Installment notes from direct borrowing, due in more than one year	13,230,664	10,971,122	24,201,786	-	-
Notes payable from direct borrowing, due within one year	-	175,412	175,412	-	-
Notes payable from direct borrowing, due in more than one year	-	1,088,813	1,088,813	-	-
Bonds payable from direct placement, due within one year	-	53,000	53,000	-	-
Bonds payable from direct placement, due in more than one year	-	2,199,000	2,199,000	-	-
Lease payable, due within one year	391,845	-	391,845	-	-
Lease payable, due in more than one year	796,384	-	796,384	-	-
Compensated absences, due within one year	805,437	27,334	832,771	9,345	-
Compensated absences, due in more than one year	1,208,154	41,002	1,249,156	14,017	-
Landfill postclosure liability, due in more than one year	-	5,208,143	5,208,143	-	-
Total pension liability, due in more than one year	2,112,056	-	2,112,056	-	-
Net pension liability, due in more than one year	15,611,413	664,671	16,276,084	81,801	257,813
Total OPEB liability, due in more than one year	13,119,718	-	13,119,718	20,946	239,075
Total liabilities	54,803,128	22,336,609	77,139,737	165,144	1,144,020

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

HALIFAX COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government			Component Units	
	Government Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	\$ 366,007	\$ -	\$ 366,007	\$ -	\$ -
OPEB related items	2,237,356	-	2,237,356	212	26,386
Pension related items	658,539	8,702	667,241	346	1,089
Total deferred inflows of resources	3,261,902	8,702	3,270,604	558	27,475
NET POSITION					
Net investment in capital assets	15,998,770	9,856,429	25,855,199	-	1,298,822
Restricted for:					
Stabilization by State Statute	7,808,406	-	7,808,406	141,213	-
Public safety	2,812,014	-	2,812,014	-	-
Human services	12,534,480	-	12,534,480	-	-
Education	3,668,548	-	3,668,548	-	-
Tax reassessment	78,117	-	78,117	-	-
Culture and recreation	111,440	-	111,440	-	-
Economic and physical development	1,333,213	-	1,333,213	-	-
Register of Deeds pension benefits	46,645	-	46,645	-	-
Other	-	-	-	-	249,594
Unrestricted	3,760,981	4,423,587	8,184,568	1,604,142	1,327,488
Total net position	\$ 48,152,614	\$ 14,280,016	\$ 62,432,630	\$ 1,745,355	\$ 2,875,904

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 9,856,412	\$ 4,204,528	\$ 3,764,664	\$ -
Public safety	23,740,255	2,588,327	5,343,618	-
Economic and physical development	3,931,779	210,621	1,283,099	-
Human services	21,707,585	280,434	13,579,713	-
Culture and recreation	836,462	28,580	676,726	-
Education	16,599,521	-	400,000	-
Interest on long-term debt	507,273	-	-	-
Total governmental activities	77,179,287	7,312,490	25,047,820	-
Business-type activities:				
Solid waste	4,402,048	5,177,429	-	-
Water and sewer	7,086,756	6,563,710	-	-
Total business-type activities	11,488,804	11,741,139	-	-
Total primary government	88,668,091	19,053,629	25,047,820	-
Component Units:				
Halifax County Tourism Development Authority	1,184,095	-	-	-
Halifax County ABC Board	8,201,836	8,414,313	-	-
Total component units	\$ 9,385,931	\$ 8,414,313	\$ -	\$ -
		General revenues: Ad valorem taxes Sales and use taxes Other taxes Investment earnings Miscellaneous Transfers Total general revenue and transfers Change in net position Net position, beginning of year Net position, end of year		

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

Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
\$ (1,887,220)	\$ -	\$ (1,887,220)	\$ -	\$ -
(15,808,310)	-	(15,808,310)	-	-
(2,438,059)	-	(2,438,059)	-	-
(7,847,438)	-	(7,847,438)	-	-
(131,156)	-	(131,156)	-	-
(16,199,521)	-	(16,199,521)	-	-
(507,273)	-	(507,273)	-	-
<u>(44,818,977)</u>	<u>-</u>	<u>(44,818,977)</u>	<u>-</u>	<u>-</u>
-	775,381	775,381	-	-
-	(523,046)	(523,046)	-	-
-	252,335	252,335	-	-
<u>(44,818,977)</u>	<u>252,335</u>	<u>(44,566,642)</u>	<u>-</u>	<u>-</u>
-	-	-	(1,184,095)	-
-	-	-	-	212,477
-	-	-	<u>(1,184,095)</u>	<u>212,477</u>
39,071,997	-	39,071,997	-	-
13,738,387	-	13,738,387	-	-
871,892	-	871,892	1,463,952	-
1,995,084	222,707	2,217,791	21,569	479
-	8,000	8,000	70	-
1,224	(1,224)	-	-	-
<u>55,678,584</u>	<u>229,483</u>	<u>55,908,067</u>	<u>1,485,591</u>	<u>479</u>
10,859,607	481,818	11,341,425	301,496	212,956
37,293,007	13,798,198	51,091,205	1,443,859	2,662,948
<u>\$ 48,152,614</u>	<u>\$ 14,280,016</u>	<u>\$ 62,432,630</u>	<u>\$ 1,745,355</u>	<u>\$ 2,875,904</u>

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 49,529,498	\$ 2,000,000	\$ 7,948,241	\$ 59,477,739
Taxes receivable, net	1,674,328	-	458,733	2,133,061
Accounts receivable, net	7,502,260	-	452,114	7,954,374
Due from other governments	-	-	13,999	13,999
Due from other funds	6,092	-	-	6,092
Restricted cash and cash equivalents	1,839,051	-	-	1,839,051
Total assets	60,551,229	2,000,000	8,873,087	71,424,316
LIABILITIES				
Accounts payable	696,233	-	1,383,849	2,080,082
Accrued payroll and withholdings	259,318	-	-	259,318
Accrued liabilities	49,202	-	-	49,202
Due to other funds	-	-	6,092	6,092
Unearned revenue	-	2,000,000	-	2,000,000
Total liabilities	1,004,753	2,000,000	1,389,941	4,394,694
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - ad valorem taxes	1,404,189	-	431,609	1,835,798
Unearned revenue - prepaid taxes	366,007	-	-	366,007
Total deferred inflows of resources	1,770,196	-	431,609	2,201,805
FUND BALANCES				
Restricted:				
Stabilization by State Statute	7,778,491	-	29,915	7,808,406
Public safety	511,814	-	2,184,981	2,696,795
Debt service	1,839,051	-	-	1,839,051
Human services	12,495,992	-	18,991	12,514,983
Tax reassessment	78,117	-	-	78,117
Education	-	-	3,371,655	3,371,655
Culture and recreation	-	-	111,440	111,440
Economic and physical development	-	-	1,333,213	1,333,213
Assigned:				
Use in subsequent fiscal year	5,152,619	-	-	5,152,619
Economic and physical development	-	-	42,717	42,717
Unassigned	29,920,196	-	(41,375)	29,878,821
Total fund balances	57,776,280	-	7,051,537	64,827,817
Total liabilities, deferred inflows of resources, and fund balances	\$ 60,551,229	\$ 2,000,000	\$ 8,873,087	\$ 71,424,316

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

HALIFAX COUNTY, NORTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	64,827,817
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Assets not subject to depreciation	\$	5,186,931
Assets subject to depreciation		41,802,768
Right-to-use lease assets		1,619,773
Less: accumulated depreciation and amortization		<u>(32,228,205)</u>
		16,381,267
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		
Property taxes		1,835,798
The net pension liability (asset), total pension liability, and related deferred inflows and outflows of resources related to the County's defined benefit pension plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.		
Total pension liability - Law Enforcement Officer's Special Separation Allowance (LEOSSA) pension plan	\$	(2,112,056)
LEOSSA related deferred inflows and outflows		(22,964)
Net pension liability - Local Government Employee Retirement System (LGERS) pension plan		(15,611,413)
LGERS related deferred inflows and outflows		10,234,135
Net pension asset - Register of Deeds (ROD) pension plan		46,645
ROD related deferred inflows and outflows		<u>23,130</u>
		(7,442,523)
The total OPEB liability and related deferred inflows and outflows of resources related to the County's OPEB plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.		
Total OPEB liability	\$	(13,119,718)
OPEB related deferred inflows and outflows		<u>1,946,807</u>
		(11,172,911)
Internal service funds are used by the County to charge costs to other funds. The assets and liabilities are included in the governmental activities.		
		2,663,049
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Installment notes	\$	(15,665,670)
Leases payable		(1,188,229)
Accrued interest payable		(72,393)
Compensated absences (i.e., vacation)		<u>(2,013,591)</u>
		<u>(18,939,883)</u>
Net position - governmental activities	\$	<u><u>48,152,614</u></u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 31,922,162	\$ -	\$ 7,244,855	\$ 39,167,017
Sales taxes	12,911,451	-	826,936	13,738,387
Other taxes	65,446	-	806,446	871,892
Intergovernmental revenues	15,772,812	7,713,856	1,561,152	25,047,820
Permits and fees	2,387,236	-	-	2,387,236
Charges for services	3,877,681	-	-	3,877,681
Investment earnings	1,948,939	-	46,145	1,995,084
Miscellaneous	738,319	-	309,254	1,047,573
Total revenues	69,624,046	7,713,856	10,794,788	88,132,690
Expenditures				
Current:				
General government	10,160,989	-	-	10,160,989
Public safety	19,848,824	-	2,675,325	22,524,149
Economic and physical development	3,159,710	-	756,365	3,916,075
Human services	20,330,153	-	225,096	20,555,249
Culture and recreation	853,778	-	-	853,778
Education	8,530,790	-	8,068,731	16,599,521
Debt service:				
Principal retirements	2,759,145	-	-	2,759,145
Interest and fiscal charges	512,787	-	-	512,787
Total expenditures	66,156,176	-	11,725,517	77,881,693
Excess (deficiency) of revenues over (under) expenditures	3,467,870	7,713,856	(930,729)	10,250,997
Other financing sources (uses)				
Inception of lease	475,387	-	-	475,387
Proceeds from sale of capital assets	66,300	-	-	66,300
Transfers in	8,044,856	-	5,604,872	13,649,728
Transfers out	(5,609,648)	(7,713,856)	-	(13,323,504)
Total other financing sources (uses)	2,976,895	(7,713,856)	5,604,872	867,911
Net change in fund balances	6,444,765	-	4,674,143	11,118,908
Fund balances, beginning of year	51,331,515	-	2,377,394	53,708,909
Fund balances, end of year	\$ 57,776,280	\$ -	\$ 7,051,537	\$ 64,827,817

HALIFAX COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	11,118,908
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and amortization expense exceeded capital outlays in the current period.

Capital outlay	\$	1,475,281	
Depreciation and amortization expense		<u>(1,890,188)</u>	(414,907)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes	\$	<u>(95,020)</u>	(95,020)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Inception of a new lease	\$	(475,387)	
Debt service payments on long-term liabilities		<u>2,759,145</u>	2,283,758

Internal service funds are used by management to charge the costs of the County's insurance plan to individual funds. The net expense of the internal service fund is reported within governmental activities.	160,382
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences (i.e., vacation)	\$	(55,926)	
Change in accrued interest		5,514	
Total pension liability and related deferred outflows and inflows - LEOSSA		(195,196)	
Net pension liability and related deferred outflows and inflows - LGERS		(1,100,509)	
Net pension asset and related deferred outflows and inflows - ROD		(7,638)	
Total OPEB liability and related deferred outflows and inflows		<u>(839,759)</u>	<u>(2,193,514)</u>

Change in net position - governmental activities	\$	<u><u>10,859,607</u></u>
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The accompanying notes are an integral part of these financial statements.

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 30,505,000	\$ 30,505,000	\$ 31,922,162	\$ 1,417,162
Other taxes and licenses	10,245,500	10,245,500	12,976,897	2,731,397
Intergovernmental revenue	15,867,406	17,800,970	15,772,812	(2,028,158)
Permits and fees	2,019,600	2,061,086	2,387,236	326,150
Sales and services	4,264,753	4,566,753	3,877,681	(689,072)
Miscellaneous	703,975	805,361	738,319	(67,042)
Investment earnings	1,000	1,000	1,948,939	1,947,939
Total revenues	63,607,234	65,985,670	69,624,046	3,638,376
Expenditures				
Current:				
General government	11,032,318	12,535,923	10,160,989	2,374,934
Public safety	20,957,120	22,100,501	19,848,824	2,251,677
Economic and physical development	1,267,078	3,507,054	3,159,710	347,344
Human services	23,573,581	26,216,890	20,330,153	5,886,737
Culture and recreation	806,607	889,043	853,778	35,265
Education	8,263,115	8,530,791	8,530,790	1
Debt service:				
Principal retirements	2,625,601	2,626,105	2,759,145	(133,040)
Interest	513,699	513,195	512,787	408
Total expenditures	69,039,119	76,919,502	66,156,176	10,763,326
Excess (deficiency) of revenues over (under) expenditures	(5,431,885)	(10,933,832)	3,467,870	14,401,702
Other financing sources (uses)				
Inception of lease	-	-	475,387	475,387
Proceeds from sale of capital assets	-	-	66,300	66,300
Transfers in	15,035,093	26,733,559	8,044,856	(18,688,703)
Transfers out	(14,589,093)	(24,300,300)	(5,609,648)	18,690,652
Appropriated fund balance	4,985,885	8,500,573	-	(8,500,573)
Total other financing sources	5,431,885	10,933,832	2,976,895	(7,956,937)
Net change in fund balances	-	-	6,444,765	6,444,765
Fund balances, beginning of year	51,331,515	51,331,515	51,331,515	-
Fund balances, end of year	\$ 51,331,515	\$ 51,331,515	\$ 57,776,280	\$ 6,444,765

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2023

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,971,622	\$ 4,972,771	\$ 8,944,393	\$ 3,294,505
Accounts receivable, net of allowances	735,555	828,003	1,563,558	-
Due from other governments	9,759	29,476	39,235	-
Restricted cash and cash equivalents	-	101,059	101,059	-
Inventories	-	69,959	69,959	-
Total current assets	4,716,936	6,001,268	10,718,204	3,294,505
CAPITAL ASSETS				
Nondepreciable	312,250	124,477	436,727	-
Depreciable, net of accumulated depreciation	1,660,008	23,386,156	25,046,164	-
Total noncurrent assets	1,972,258	23,510,633	25,482,891	-
Total assets	6,689,194	29,511,901	36,201,095	3,294,505
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	152,877	271,355	424,232	-
Total deferred outflows of resources	152,877	271,355	424,232	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	52,509	337,561	390,070	158,073
Accrued liabilities	-	55,797	55,797	-
Customer deposits	-	323,130	323,130	-
Claims payable	-	-	-	473,383
Installment contracts, current	-	1,139,115	1,139,115	-
Notes payable, current	56,666	118,746	175,412	-
Bonds payable, current	-	53,000	53,000	-
Compensated absences payable, current	6,109	21,225	27,334	-
Total current liabilities	115,284	2,048,574	2,163,858	631,456
NONCURRENT LIABILITIES				
Landfill postclosure	5,208,143	-	5,208,143	-
Installment contracts from direct borrowing, due in more than one year	-	10,971,122	10,971,122	-
Notes payable from direct borrowing, due in more than one year	-	1,088,813	1,088,813	-
Bonds payable from direct placement, due in more than one year	-	2,199,000	2,199,000	-
Compensated absences payable	9,164	31,838	41,002	-
Net pension liability	244,347	420,324	664,671	-
Total noncurrent liabilities	5,461,654	14,711,097	20,172,751	-
Total liabilities	5,576,938	16,759,671	22,336,609	631,456
DEFERRED INFLOWS OF RESOURCES				
Pension related items	3,199	5,503	8,702	-
Total deferred inflows of resources	3,199	5,503	8,702	-
NET POSITION				
Net investment in capital assets	1,915,592	7,940,837	9,856,429	-
Unrestricted	(653,658)	5,077,245	4,423,587	2,663,049
Total net position	\$ 1,261,934	\$ 13,018,082	\$ 14,280,016	\$ 2,663,049

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

HALIFAX COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Solid Waste Landfill Fund</u>	<u>Water Fund</u>	<u>Totals</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 5,072,124	\$ 6,335,284	\$ 11,407,408	\$ -
Other operating revenues	-	-	-	5,890,587
Miscellaneous	105,305	228,426	333,731	-
Total operating revenues	<u>5,177,429</u>	<u>6,563,710</u>	<u>11,741,139</u>	<u>5,890,587</u>
OPERATING EXPENSES				
Administrative and general	-	1,585,724	1,585,724	-
Operations and maintenance	4,242,768	3,312,853	7,555,621	-
Depreciation	159,280	1,788,797	1,948,077	-
Claims and payments to third party administrators	-	-	-	5,522,741
Total operating expenses	<u>4,402,048</u>	<u>6,687,374</u>	<u>11,089,422</u>	<u>5,522,741</u>
Operating income (loss)	775,381	(123,664)	651,717	367,846
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	157,341	65,366	222,707	117,536
Interest expense and fiscal charges	-	(399,382)	(399,382)	-
Proceeds from sale of assets	1,300	6,700	8,000	-
Total non-operating revenue (expenses)	<u>158,641</u>	<u>(327,316)</u>	<u>(168,675)</u>	<u>117,536</u>
Income (loss) before transfers	934,022	(450,980)	483,042	485,382
Transfers in	4,776	-	4,776	-
Transfers out	(6,000)	-	(6,000)	(325,000)
Change in net position	932,798	(450,980)	481,818	160,382
Net position, beginning of year	<u>329,136</u>	<u>13,469,062</u>	<u>13,798,198</u>	<u>2,502,667</u>
Net position, end of year	<u>\$ 1,261,934</u>	<u>\$ 13,018,082</u>	<u>\$ 14,280,016</u>	<u>\$ 2,663,049</u>

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

HALIFAX COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 5,211,981	\$ 6,521,594	\$ 11,733,575	\$ 5,890,770
Payments to suppliers	(4,045,573)	(4,173,134)	(8,218,707)	(5,721,395)
Payments to employees	(374,783)	(598,210)	(972,993)	-
Net cash provided by operating activities	<u>791,625</u>	<u>1,750,250</u>	<u>2,541,875</u>	<u>169,375</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from other funds	4,776	-	4,776	-
Transfers to other funds	(6,000)	-	(6,000)	(325,000)
Net cash used in non-capital financing activities	<u>(1,224)</u>	<u>-</u>	<u>(1,224)</u>	<u>(325,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(15,194)	-	(15,194)	-
Proceeds from sale of assets	1,300	6,700	8,000	-
Principal payments on long-term debt	(56,667)	(1,282,461)	(1,339,128)	-
Interest paid	-	(405,936)	(405,936)	-
Net cash used in capital and related financing activities	<u>(70,561)</u>	<u>(1,681,697)</u>	<u>(1,752,258)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	157,341	65,366	222,707	117,536
Net cash provided by investing activities	<u>157,341</u>	<u>65,366</u>	<u>222,707</u>	<u>117,536</u>
Net increase (decrease) in cash and cash equivalents	877,181	133,919	1,011,100	(38,089)
Cash and cash equivalents, beginning of year	<u>3,094,441</u>	<u>4,939,911</u>	<u>8,034,352</u>	<u>3,332,594</u>
Cash and cash equivalents, end of year	<u>\$ 3,971,622</u>	<u>\$ 5,073,830</u>	<u>\$ 9,045,452</u>	<u>\$ 3,294,505</u>
Classified as:				
Unrestricted cash and cash equivalents	\$ 3,971,622	\$ 4,972,771	\$ 8,944,393	\$ 3,294,505
Restricted cash and cash equivalents	-	101,059	101,059	-
	<u>\$ 3,971,622</u>	<u>\$ 5,073,830</u>	<u>\$ 9,045,452</u>	<u>\$ 3,294,505</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 775,381	\$ (123,664)	\$ 651,717	\$ 367,846
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	159,280	1,788,797	1,948,077	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in accounts receivable	31,760	(50,532)	(18,772)	183
Decrease in amounts due from other governments	2,792	86	2,878	-
Increase in inventory	-	(11,308)	(11,308)	-
Increase (decrease) in accounts payable	(89,247)	83,724	(5,523)	(101,177)
Decrease in postclosure liability	(121,445)	-	(121,445)	-
Increase in customer deposits	-	8,330	8,330	-
Decrease in compensated absences payable	(5,130)	(1,355)	(6,485)	-
Decrease in claims payable	-	-	-	(97,477)
Increase in pension and related items	38,234	56,172	94,406	-
Net cash provided by operating activities	<u>\$ 791,625</u>	<u>\$ 1,750,250</u>	<u>\$ 2,541,875</u>	<u>\$ 169,375</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND JUNE 30, 2023

	ASSETS	Tax Custodial Fund
Cash and cash equivalents		\$ 121,471
Taxes receivable		<u>1,036,476</u>
Total assets		<u><u>1,157,947</u></u>
	LIABILITIES	
Due to others		254,576
Uncollected taxes		<u>903,371</u>
Total liabilities		<u><u>\$ 1,157,947</u></u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Tax Custodial Fund</u>
ADDITIONS	
Taxes	<u>\$ 12,773,282</u>
DEDUCTIONS	
Taxes and fees paid to other governments	<u>12,773,282</u>
Change in fiduciary net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Halifax County, North Carolina (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County’s significant accounting policies are described below.

A. Reporting Entity

Halifax County, North Carolina was founded in 1758 and is located in the northeastern portion of North Carolina. The County has a commissioner/manager form of government with a six-member elected Board of Commissioners comprising the governing body. The County provides the following services to its citizens: public health, public safety, mental health, social service programs, planning and zoning, cultural and recreational programs, and housing and community development service programs. In addition, inspections, environmental resources, land records, and vital statistics information are provided. Elementary and secondary education is provided by the State through locally elected educational boards with the assistance of the County.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational and financial relationship with the County. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Halifax County ABC Board

The Halifax County Alcoholic Beverage Control Board (the “ABC Board”) operates retail liquor stores within the County and investigates violations of laws pertaining to retail liquor sales. The five members of the ABC Board’s governing board are appointed by the County. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. Complete separate financial statements for the ABC Board may be obtained at its administrative office:

Halifax County ABC Board
411 US-301
Halifax, NC 27839

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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. Complete separate financial statements for the Authority may be obtained at its administrative office:

Halifax County Tourism Development Authority
260 Premier Blvd.
Roanoke Rapids, NC 27870

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers most revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes, which use a 60-day period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other long-term liabilities, such as compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, individual major funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Property Revaluation Fund is a legally budgeted fund under North Carolina General Statutes, which for reporting purposes is presented in the General Fund.

The **American Rescue Plan Fund** accounts for the revenues and expenditures related to the American Rescue Plan grant monies for the County.

The County reports the following major enterprise funds:

The **Solid Waste Landfill Fund** accounts for the revenues and expenses related to the provision of solid waste disposal and recycling activities for the citizens of Halifax County.

The **Water Fund** accounts for the purpose of providing water and sewer service for the citizens of Halifax County.

Additionally, the County reports the following fund types:

The **special revenue funds** are used to account for specific revenues, such as various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **capital projects funds** account for financial resources to be used for the acquisition and construction of major capital projects.

The **internal service funds** account for the County's partially self-insured health and dental benefits plan as well as partially self-insured unemployment insurance benefit plan which charges the other funds of the County for the insurance claims.

The **fiduciary fund** consists of one custodial fund. Custodial funds are used to account for assets the County holds on behalf of others. The County maintains the Tax Collection Custodial Fund, which accounts for the collection and disbursement of tax revenues to municipalities within the County.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated, as this process would distort the direct costs and program revenues reported in the various functions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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. 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 enterprise funds include the cost of these goods 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.

D. Budgets

Annual appropriated budgets are adopted for all funds, with the exception of several of the capital project funds, including the enterprise capital project funds, for which project length budgets are adopted. In accordance with State law, the budgets adopted for the enterprise funds are adopted on the modified accrual basis of accounting, and a reconciliation is provided along with the budget schedule to reconcile from the modified accrual basis to the accrual basis. The governmental funds' budgets are adopted on a basis other than accounting principles generally accepted in the United States of America. Budgets are adopted to show use of fund balance as other financing sources for both governmental and proprietary funds, as well as the proprietary funds are budgeted on the modified accrual basis of accounting. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund, special revenue funds, and the enterprise funds. During the fiscal year ended June 30, 2023, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 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 deposit accounts, and certificates of deposit.

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. The County pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Any deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

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). The NCCMT is an SEC registered (2a-7) money market mutual fund which invests in treasuries and government agencies and is rated AAAM by S&P. The County's investment in the NCCMT Government Portfolio is reported at fair value.

F. Restricted Cash and Cash Equivalents

The County has restricted cash and cash equivalents in a QSCB sinking fund in the General Fund. These sinking funds are restricted for the purposes of long-term debt retirement. The Water Fund also reports restricted cash for the sinking fund required through the long-term debt agreements.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. 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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Allowances

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing any currently doubtful accounts as well as the percentage of receivables that were written off in prior years.

I. Inventories

All inventories are valued at average cost using the first-in/first-out (FIFO) method. Inventories of the enterprise funds are recorded as expenses when consumed rather than when purchased.

J. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

K. Leases

Lessee

The County is a lessee for multiple noncancellable leases of vehicles. The County recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The County recognizes lease liabilities and leased right to use assets in accordance with its capitalization policy (Note 1-M).

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

Lessee (Continued)

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

In the statement of net position, lease assets are reported with other capital assets and lease liabilities are reported with other long-term liabilities as amounts due within one year and amounts due in more than one year.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method in the governmental funds.

M. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (including right-to-use leased assets) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Capital Assets (Continued)

The County holds title to certain Halifax County Board of Education and Roanoke Rapids School District properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education and School District give the Board/District full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Halifax County Board of Education and the Roanoke Rapids School District.

Capital assets of the County and right-to-use leased assets, are depreciated using the straight-line method over the following estimated useful lives:

Buildings and land improvements	30 years
Improvements	30 years
Furniture and equipment	5 years
Vehicles	5 years
Computers	5 years

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category which occurs in the governmental activities and governmental funds. The County reports a deferred inflow of resources for the property taxes collected in advance of the period they were intended to finance. Additionally, the County reports two (2) items, reported as deferred inflow of resources, which arises only under a modified accrual basis of accounting. Accordingly, the first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the accrual of ad valorem taxes and intergovernmental revenues which are earned by the County but are not considered available for the liquidation of current expenditures. The second item, deferred revenues – prepaid taxes, are reported on the balance sheet and the statement of net position. These prepaid taxes are recognized in the period for which they are levied, fiscal year 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources (Continued)

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability – LGERS, net pension liabilities – ROD, total pension liability – LEOSSA, and total other postemployment benefit (OPEB) liability. Certain changes in the pension liabilities and OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the pension liability and OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the pension liability and OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in proportion and differences between employer contributions and proportionate share of contributions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on plan investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

O. Unearned Revenue

The County reports unearned revenue related to the Coronavirus State and Local Fiscal Recovery Funds grant money that was received but not expended before year-end. The County will recognize the revenue as eligible expenditures are incurred.

P. Compensated Absences

Permanent employees of the County can earn vacation leave at a rate that is dependent upon their years of service at the County. Vacation leave may be accumulated with a maximum until December 31 of each year. On that date, any accumulated vacation leave in excess of 225 hours is converted to sick leave. The maximum amount of vacation leave that can be carried forward to January 1 is 240 hours. At termination, employees are paid for any accumulated vacation leave. These amounts are paid from the same fund to which the employee's salary is charged. The amount accrued for this sick pay has been estimated based on the amount which is probable to be paid. These amounts are not considered a current liability within the governmental fund types balance sheets since they will be paid from appropriations of subsequent years. Permanent employees of the County earn sick leave at a rate that is dependent upon their years of service at the County. There is no limit on the accumulation of sick leave for the County. Sick leave does not vest with employees and therefore the County does not report a liability for unused sick leave. However, unused sick leave that has accumulated at the time of retirement may be used to determine the length of service as it relates to retirement benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Long-term Obligations

In the government-wide financial statements and proprietary fund types 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. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

R. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. One component of the restricted fund balance of the General Fund relates to the Stabilization by State Statute (*G.S. 159-8(a)*) which requires total fund balance less the fund balance available for appropriation equals the total amount that must be restricted.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Fund Equity (Continued)

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the County’s Board of Commissioners. Approval of a resolution after a formal vote of the County’s Board is required to establish a commitment of fund balance. Similarly, the County’s Board may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes but are neither restricted nor committed. The Board of Commissioners have retained the authority to make assignments.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets.

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. As with many counties in the State of North Carolina, the County is carrying outstanding general obligation and installment debt that has been incurred for the Halifax County Board of Education and the Roanoke Rapids Graded School District (collectively, the “school systems.”) Outstanding debt related to the school systems totals approximately \$14.2 million as of June 30, 2023. Under North Carolina law, the County is responsible for providing capital funding to the school systems (and thus carrying the capital debt) while the related assets are owned, operated, and recorded in the school system’s financial statements.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF) and additions to/deductions from LGERS' and RODSPF's fiduciary net position have been determined on the same basis as they are reported by LGERS and RODSPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$266,234 as part of this settlement in fiscal year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds which will be determined in fiscal year 2024.

U. 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, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Appropriations. The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the County will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund. Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the County Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

The County did not adopt a budget for the White Goods Handling Facility Project Fund for the fiscal year ended June 30, 2023. The fund did not have any revenue or expenditure activity during the year.

Deficit Fund Balance. The Roseburg Project Fund had a deficit fund balance of \$41,375 at year-end which will be alleviated through additional grant funding in the subsequent fiscal year and General Fund appropriations, as necessary.

NOTE 3. DEPOSITS AND INVESTMENTS

The County's deposits, at June 30, 2023, had a carrying amount of \$20,872,732 and a bank balance of \$22,182,108. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$21,932,108 was covered by collateral held under the Pooling Method. The County's petty cash accounts, at June 30, 2023, totaled \$3,825.

Total deposits as of June 30, 2023, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 71,716,637
Restricted cash and cash equivalents	1,940,110
Fiduciary funds - custodial funds	121,471
	<u>\$ 73,778,218</u>
Cash deposited with financial institutions	\$ 20,872,732
Cash deposited with NCCMT	52,901,661
Petty cash	3,825
	<u>\$ 73,778,218</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes and the County's policies authorize the County to invest in obligations of the State of North Carolina or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the North Carolina Capital Management Trust (NCCMT); and obligations of other political subdivisions of the state of North Carolina. The County does not have a credit rating policy which provides restrictions or limitations on credit ratings for the County's investments.

As of June 30, 2023, the County had \$52,901,661 invested in the NCCMT's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The NCCMT's Government Portfolio is reported at fair value. The portfolio is measured using Level 1 inputs from the fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets.

Interest Rate Risk. The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes (G.S. 159-31) require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2023, the County's deposits are insured or collateralized as required by GASB and state statutes.

NOTE 4. RECEIVABLES

Receivables at June 30, 2023, for the County's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Water</u>	<u>Solid Waste Landfill</u>	<u>Nonmajor Governmental</u>
Receivables:				
Taxes	\$ 2,262,741	\$ -	\$ -	\$ 458,733
Accounts	8,964,255	1,103,576	976,403	452,114
Due from other governments	-	29,476	9,759	13,999
Less: allowance for uncollectible	(2,050,408)	(275,573)	(240,848)	-
Total	<u>\$ 9,176,588</u>	<u>\$ 857,479</u>	<u>\$ 745,314</u>	<u>\$ 924,846</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County for the year ended June 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 4,131,740	\$ -	\$ -	\$ 4,131,740
Construction in progress	944,118	111,073	-	1,055,191
Total	<u>5,075,858</u>	<u>111,073</u>	<u>-</u>	<u>5,186,931</u>
Capital assets, being depreciated:				
Buildings and improvements	30,064,540	9,750	-	30,074,290
Vehicles	5,757,555	255,075	(611,394)	5,401,236
Equipment	5,714,580	623,162	(10,500)	6,327,242
Lease assets (vehicles)	1,143,552	476,221	-	1,619,773
Total being depreciated	<u>42,680,227</u>	<u>1,364,208</u>	<u>(621,894)</u>	<u>43,422,541</u>
Less accumulated depreciation for:				
Buildings and improvements	(20,988,996)	(738,042)	-	(21,727,038)
Vehicles	(4,931,773)	(336,083)	611,394	(4,656,462)
Equipment	(4,899,380)	(485,543)	10,500	(5,374,423)
Lease assets (vehicles)	(139,762)	(330,520)	-	(470,282)
Total	<u>(30,959,911)</u>	<u>(1,890,188)</u>	<u>621,894</u>	<u>(32,228,205)</u>
Total capital assets being depreciated, net	<u>11,720,316</u>	<u>(525,980)</u>	<u>-</u>	<u>11,194,336</u>
Governmental activities capital assets, net	<u>\$ 16,796,174</u>	<u>\$ (414,907)</u>	<u>\$ -</u>	<u>\$ 16,381,267</u>

Depreciation and amortization expense was charged to functions/programs of the County as follows:

Governmental Activities:	
General government	\$ 311,617
Public safety	962,671
Economic and physical development	212,829
Human Services	343,984
Cultural and recreational	59,087
Total depreciation and amortization expense - governmental activities	<u>\$ 1,890,188</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Landfill Fund				
Nondepreciable capital assets:				
Land and improvements	\$ 312,250	\$ -	\$ -	\$ 312,250
Total	<u>312,250</u>	<u>-</u>	<u>-</u>	<u>312,250</u>
Capital assets, being depreciated:				
Land improvements	27,123	-	-	27,123
Buildings	1,956,534	-	-	1,956,534
Vehicle	871,583	-	(6,000)	865,583
Equipment	1,894,654	15,194	-	1,909,848
Total being depreciated	<u>4,749,894</u>	<u>15,194</u>	<u>(6,000)</u>	<u>4,759,088</u>
Less accumulated depreciation for:				
Land improvements	(27,123)	-	-	(27,123)
Buildings	(560,668)	(63,753)	-	(624,421)
Vehicle	(700,414)	(39,824)	6,000	(734,238)
Equipment	(1,657,595)	(55,703)	-	(1,713,298)
Total	<u>(2,945,800)</u>	<u>(159,280)</u>	<u>6,000</u>	<u>(3,099,080)</u>
Total capital assets being depreciated, net	<u>1,804,094</u>	<u>(144,086)</u>	<u>-</u>	<u>1,660,008</u>
Solid Waste Landfill capital assets, net	<u>\$ 2,116,344</u>	<u>\$ (144,086)</u>	<u>\$ -</u>	<u>\$ 1,972,258</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Fund:				
Nondepreciable capital assets:				
Land and improvements	\$ 124,477	\$ -	\$ -	\$ 124,477
Total	124,477	-	-	124,477
Capital assets, being depreciated:				
Plant and distribution systems	55,180,228	-	-	55,180,228
Vehicles	520,852	-	(64,485)	456,367
Equipment and furniture	2,940,756	-	-	2,940,756
Total	58,641,836	-	(64,485)	58,577,351
Less accumulated depreciation for:				
Plant and distribution systems	(30,532,054)	(1,548,855)	-	(32,080,909)
Vehicles	(403,119)	(40,124)	64,485	(378,758)
Equipment and furniture	(2,531,710)	(199,818)	-	(2,731,528)
Total	(33,466,883)	(1,788,797)	64,485	(35,191,195)
Total capital assets being depreciated, net	25,174,953	(1,788,797)	-	23,386,156
Water Fund capital assets, net	\$ 25,299,430	\$ (1,788,797)	\$ -	\$ 23,510,633

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

Business-type activities	
Solid Waste Landfill	\$ 159,280
Water	1,788,797
	\$ 1,948,077

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Installment notes from					
direct borrowing	\$ 18,125,840	\$ -	\$ (2,460,170)	\$ 15,665,670	\$ 2,435,006
Lease payable	1,011,817	475,387	(298,975)	1,188,229	391,845
Net pension liability - LGERS	4,287,404	21,762,523	(10,438,514)	15,611,413	-
Total pension liability - LEOSSA	2,486,941	168,886	(543,771)	2,112,056	-
Compensated absences	1,957,665	884,082	(828,156)	2,013,591	805,437
Total OPEB liability	14,601,517	975,930	(2,457,729)	13,119,718	-
Governmental activity					
Long-term liabilities	<u>\$ 42,471,184</u>	<u>\$ 24,266,808</u>	<u>\$ (17,027,315)</u>	<u>\$ 49,710,677</u>	<u>\$ 3,632,288</u>
Business-type Activities:					
Installment notes from					
direct borrowing	\$ 13,221,953	\$ -	\$ (1,111,716)	\$ 12,110,237	\$ 1,139,115
Revenue bonds from					
direct placement	2,304,000	-	(52,000)	2,252,000	53,000
State revolving loans	1,439,637	-	(175,412)	1,264,225	175,412
Postclosure liability	5,329,588	168,360	(289,805)	5,208,143	-
Net pension liability - LGERS	164,780	924,123	(424,232)	664,671	-
Compensated absences	74,821	31,952	(38,437)	68,336	27,334
Business-type activity					
Long-term liabilities	<u>\$ 22,534,779</u>	<u>\$ 1,124,435</u>	<u>\$ (2,091,602)</u>	<u>\$ 21,567,612</u>	<u>\$ 1,394,861</u>

For governmental funds, compensated absences are liquidated by the General Fund. The net pension liability – LGERS, total pension liability - LEOSSA, and total OPEB liability are liquidated primarily by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes from Direct Borrowing

The County has various installment notes from direct borrowing outstanding for buildings, equipment, and vehicle financing arrangements. The outstanding balances for the notes as of June 30, 2023, are as follows:

	Balance as of June 30, 2023
Governmental Activities	
Installment note for \$18,100,000 was issued in May 2016 with semi-annual payments ranging from \$622,037 to \$883,883 with an interest rate of 3.11%; secured by RRGSD Board of Education. The final maturity of the note is May 2031.	\$ 9,653,334
Promissory note of \$12,005,000 was issued in June 2017 with semi-annual payments ranging from \$567,000 to \$1,020,088 with a 2.35% interest rate; secured by the Department of Social Services building and School Board facilities. The final maturity of the note is June 2026.	3,484,000
Qualified School Construction Bond installment purchase contract for \$2,488,997 was issued in September 2011 with annual sinking fund payments of \$165,933 with an interest rate of 5.0%. The final maturity of the bond is September 2026.	2,488,997
Promissory note for \$152,413 was issued in December 2019 with monthly payments ranging from \$36,885 to \$39,339 with a 2.17% interest rate. The final maturity of the note is December 2023.	39,339
Total outstanding installment notes payable	\$ 15,665,670

Of the original amount serviced by the County's governmental activities shown above, \$14,632,351 is considered to be school-related debt.

The debt service to maturity on the governmental activities installment notes is as follows:

	Principal	Interest	Total
Year Ending June 30,			
2024	\$ 2,435,006	\$ 333,780	\$ 2,768,786
2025	2,368,667	279,549	2,648,216
2026	4,828,664	207,860	5,036,524
2027	1,206,667	177,682	1,384,349
2028 - 2031	4,826,666	336,660	5,163,326
Total	\$ 15,665,670	\$ 1,335,531	\$ 17,001,201

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes from Direct Borrowing– Business-type Activities

All installment notes from direct borrowing, serviced by the County's Water Fund, are collateralized by the full faith, credit, and taxing power of the County. The outstanding balances for the notes as of June 30, 2023, are as follows:

	Balance as of June 30, 2023
Business-type Activities:	
\$3,250,000 - 2017 Refunding serial water bond, due in annual installments ranging from \$323,160 to \$301,323 through June 2028; interest at 2.23%.	\$ 1,504,000
\$1,916,000 - 2011 Water bond, due in annual installments ranging from \$62,2270 to \$89,495 through June 2050; interest at 2.79%.	1,568,000
\$9,048,000 - 2012 Refunding serial water bond, due in semi-annual installments ranging from \$347,031 to \$694,062 through September 2028; interest at 2.79%.	3,516,237
\$5,908,000 - 2021 Refunding serial water bond, due in annual installments ranging from \$193,000 to \$340,000 through September 2028; interest at 2.75%.	5,522,000
Total outstanding installment notes payable	\$ 12,110,237

The debt service to maturity on the installment notes from direct borrowings is as follows:

	Principal	Interest	Total
Year Ending June 30,			
2024	\$ 1,139,115	\$ 330,300	\$ 1,469,415
2025	1,160,976	300,004	1,460,980
2026	1,184,309	269,085	1,453,394
2027	1,209,130	237,500	1,446,630
2028	1,232,451	205,211	1,437,662
2029 - 2033	1,778,256	763,024	2,541,280
2034 - 2038	1,651,000	543,000	2,194,000
2039 - 2043	1,899,000	295,565	2,194,565
2044 - 2048	726,000	58,923	784,923
2049 - 2050	130,000	5,687	135,687
Total	\$ 12,110,237	\$ 3,008,299	\$ 15,118,536

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds from Direct Placement

Revenue bonds from direct placement serviced by the County enterprise funds are as follows:

	Balance as of June 30, 2023
Business-type Activities:	
\$46,000 to \$95,000 through June 2054 with an interest rate of 2.00%	\$ 2,252,000
Total outstanding revenue bonds from direct placement	\$ 2,252,000

The County's revenue bonds are special limited obligations of the County, payable solely from and secured by a pledge of and lien on all operating revenues derived by the County from the ownership and operation of its water system, remaining after the payment of expenses of operating, maintaining and repairing the system. These pledged revenues secure the revenue bonds of the County until such time that all outstanding principal has been satisfied on the bonds.

The debt service to maturity on the revenue bonds from direct placement payable is as follows:

	Principal	Interest	Total
Year Ending June 30,			
2024	\$ 53,000	\$ 45,040	\$ 98,040
2025	54,000	43,980	97,980
2026	55,000	42,900	97,900
2027	56,000	41,800	97,800
2028	58,000	40,680	98,680
2029 - 2033	306,000	185,600	491,600
2034 - 2038	337,000	153,780	490,780
2039 - 2043	372,000	118,680	490,680
2044 - 2048	412,000	79,960	491,960
2049 - 2053	454,000	37,100	491,100
2054	95,000	1,900	96,900
Total	\$ 2,252,000	\$ 791,420	\$ 3,043,420

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

State Revolving Loan Serviced by Enterprise Funds from Direct Borrowing

On July 15, 2013, and January 1, 2015, the County was approved for maximum loan amounts of \$1,376,823 and \$925,632, respectively, from the U. S. Environmental Protection Agency passed through the North Carolina Department of Environment and Natural Resources under the Clean Water State Revolving Fund. The County has fully drawn on the loans. The loan proceeds are being used for the construction of an extension to the Water and Sewer System. The loan is being reported as long-term debt in business-type activities and is repayable at 0% for 20 years beginning six months after the completion of the project. Debt service on the loans is as follows:

Year Ending June 30,	Principal
2024	\$ 175,412
2025	118,746
2026	118,746
2027	118,746
2028	118,746
2029 - 2033	521,265
2034 - 2035	92,564
Total	\$ 1,264,225

Leases Payable

The County periodically leases vehicles for use in the public safety division. A summary of the payments required to maturity are summarized below.

Fiscal Year	Principal	Interest	Total
2024	\$ 391,845	\$ 87,247	\$ 479,092
2025	401,154	54,845	455,999
2026	306,100	23,662	329,762
2027	89,130	3,935	93,065
Total	\$ 1,188,229	\$ 169,689	\$ 1,357,918

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Leases Payable (Continued)

A summary of the outstanding leases is summarized below:

Lease Date	Lease Term	Monthly Payment	Interest Rate	Asset Amount	Accumulated Amortization	Outstanding Liability
July 1, 2021	42 months	\$ 540	6.90%	\$ 141,386	\$ 82,410	\$ 64,414
October 1, 2021	48 months	684	8.00%	28,781	13,302	16,848
October 1, 2021	48 months	673	6.90%	28,311	12,764	16,780
October 1, 2021	48 months	684	6.90%	287,810	126,354	170,590
October 1, 2021	48 months	673	6.90%	28,311	12,428	16,780
April 1, 2022	48 months	890	6.90%	37,443	11,770	26,675
April 1, 2022	48 months	810	6.90%	68,148	21,422	48,550
April 1, 2022	48 months	814	6.90%	34,249	10,766	24,399
April 1, 2022	48 months	818	6.90%	34,439	10,825	24,535
June 1, 2022	48 months	956	6.90%	40,230	10,974	30,229
June 1, 2022	48 months	950	6.90%	79,926	21,802	60,058
June 1, 2022	48 months	877	6.90%	110,688	30,192	83,172
June 1, 2022	48 months	900	6.90%	37,887	10,335	28,469
June 1, 2022	48 months	894	6.90%	37,635	10,266	28,280
June 1, 2022	48 months	894	6.90%	75,238	20,524	56,536
June 1, 2022	48 months	824	6.90%	34,656	9,454	26,041
June 1, 2022	48 months	913	6.90%	38,414	10,481	28,865
September 1, 2022	48 months	727	0.00%	34,878	7,266	27,612
October 1, 2022	48 months	818	19.09%	28,149	5,239	23,621
October 1, 2022	48 months	866	20.10%	29,291	5,451	24,644
January 1, 2023	48 months	808	14.12%	58,990	7,368	54,274
April 1, 2023	48 months	817	11.14%	222,607	13,916	209,454
June 1, 2023	48 months	808	6.71%	34,116	711	33,308
April 1, 2023	48 months	817	7.32%	68,190	4,262	64,095
				<u>\$ 1,619,773</u>	<u>\$ 470,282</u>	<u>\$ 1,188,229</u>

Landfill Closure and Postclosure

State and Federal laws and regulations require the County to place a final cover on landfills after they cease accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. Closure and postclosure costs are allocated to the landfills based upon landfill capacity used to date. The County reported a liability for closure and postclosure care of its three (3) landfills in the Solid Waste Fund of \$5,208,143. The County's construction and demolition landfill as well as the ash monofill landfill have been capped. As of June 30, 2023, the landfill is currently accepting waste with a current capacity used to date of 6%. The remaining cost not yet accrued for the construction and demolition of the landfill of \$887,391 will be recognized over the future life of the landfill as capacity is used. The remaining life on the landfill is 27 years.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Internal Service	\$ 325,000
General Fund	ARPA Fund	7,713,856
General Fund	Solid Waste Landfill Fund	6,000
		<u>\$ 8,044,856</u>
Emergency Telephone	General Fund	\$ 187,473
Halifax County Capital Reserve	General Fund	850,000
Weldon School 6th - 12 th	General Fund	2,510,399
Halifax County Schools New PK-8	General Fund	2,057,000
Solid Waste Landfill Fund	General Fund	4,776
		<u>\$ 5,609,648</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS

Halifax County participates in three defined benefit pension plans: the Local Governmental Employees' Retirement System (LGERS), Law Enforcement Officers Special Separation Allowance (LEOSSA), and the Register of Deeds' Supplemental Pension Fund (RODSPF). Only the LGERS and RODSPF are funded with qualifying trusts and accounted for by the County under GASB Statement No. 68. The LEOSSA is reported in accordance with GASB Statement No. 73. The net pension liability (asset), total pension liability, and related deferred outflows of resources and deferred inflows of resources for the LGERS, LEOSSA, and RODSPF are summarized as follows:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>Total</u>
Net pension asset	\$ -	\$ -	\$ 46,645	\$ 46,645
Net pension liability	16,276,084	-	-	16,276,084
Total pension liability	-	2,112,056	-	2,112,056
Deferred outflows of resources related to pensions	10,862,746	428,170	26,156	11,317,072
Deferred inflows of resources related to pensions	213,081	451,134	3,026	667,241
Pension expense	4,520,514	202,024	11,228	4,733,766

A. Local Governmental Employees' Retirement System

Plan Description. Halifax County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state's ACFR 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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 60 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 and 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 postretirement 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 a 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. The 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, 2023, was 13.10% of compensation for law enforcement officers and 12.15% 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 pension plan from the County were \$3,073,248 for the year ended June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Contributions (Continued).

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, 2023, the County reported a liability of \$16,276,084 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, 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, 2023, the County's proportion was 0.28851%, which was a decrease of 0.0018% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$4,520,514. At June 30, 2023, the County reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 701,322	\$ 68,761
Net difference between projected and actual earnings on pension plan investments	1,623,988	-
Changes in proportion and differences between County contributions and proportionate share of contributions	5,379,416	-
Changes in plan assumptions	84,772	144,320
County contributions subsequent to the measurement date	3,073,248	-
Total	\$ 10,862,746	\$ 213,081

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

County contributions made subsequent to the measurement date of \$3,073,248, are reported as deferred outflows of resources and will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2024	\$ 2,327,321
2025	2,053,299
2026	632,942
2027	2,562,855
Total	<u>\$ 7,576,417</u>

Actuarial Assumptions. The total pension liability as of June 30, 2021, was determined by the December 31, 2021 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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. Global public equity return projections are established 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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

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 2.50%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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 6.50 percent, 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 one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Decrease (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 29,376,235	\$ 16,276,084	\$ 5,480,799

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

B. 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. The Separation Allowance is administered by the State of North Carolina. 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. A separate report is not issued for the Plan.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2021, the date of the most recent actuarial valuation the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Active plan members	60
Total	67

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

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, outlined in paragraph 4 of GASB Statement 73.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation
Discount rate	4.31 percent

The discount rate used to measure the total pension liability is the Standard & Poor's 20-year Municipal Bond High Grade Rate Index. Since the prior measurement date, the discount rate has changed from 2.25% to 4.31% due to a change in the Municipal Bond Rate.

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, 2021 valuation were based on the results of an actuarial experience study completed by the actuary for LGERS for the period January 1, 2015 through December 31, 2019.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. 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. The County paid \$123,807 as benefits came due for the reporting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

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

At June 30, 2023, the County reported a total pension liability of \$2,112,056. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$202,024. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 53,020	\$ 121,149
Differences between expected and actual experience	301,044	329,985
County benefit payments made subsequent to the measurement date	74,106	-
Total	\$ 428,170	\$ 451,134

An amount of \$74,106 reported as deferred outflows of resources related to pensions, resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2024	\$ 25,078
2025	25,134
2026	(6,350)
2027	(88,713)
2028	(52,219)
Total	\$ (97,070)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Changes in the Total Pension Liability. The changes in the total pension liability of the County for the fiscal year ended June 30, 2023, were as follows:

	Total Pension Liability
Balance at June 30, 2022	\$ 2,486,941
Service cost	114,323
Interest	54,563
Experience differences	(80,379)
Assumption changes	(339,585)
Benefit payments	(123,807)
Balance at June 30, 2023	\$ 2,112,056

The required schedule of changes in the County's total pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information.

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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Decrease (5.31%)
County's proportionate share of the net pension liability (asset)	\$ 2,268,666	\$ 2,112,056	\$ 1,969,781

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

C. Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory cost-sharing multiple-employer, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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 ACFR for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. 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 10 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 General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,590 for the year ended June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

C. Register of Deeds' Supplemental Pension Fund (Continued)

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

At June 30, 2023, the County reported an asset of \$46,645 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2023, the County's proportion was 0.35230%, which was an increase of 0.01593% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$11,228. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 359	\$ 846
Changes of assumptions	2,470	-
Net difference between projected and actual earnings on pension plan investments	19,387	-
Changes in proportion and differences between County contributions and proportionate share of contributions	350	2,180
County contributions subsequent to the measurement date	3,590	-
Total	\$ 26,156	\$ 3,026

County contributions made subsequent to the measurement date of \$3,590 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

C. Register of Deeds' Supplemental Pension Fund (Continued)

Year Ending June 30:

2024	\$	5,002
2025		3,205
2026		6,454
2027		4,879
Total	\$	<u>19,540</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Discount rate	3.00 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors 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 best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2023, is 3.00%, including inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

C. Register of Deeds' Supplemental Pension Fund (Continued)

Actuarial Assumptions (Continued). The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 3.25%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, 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 one percentage point lower (2.00 percent) or one percentage point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Decrease (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (53,764)	\$ (46,645)	\$ (79,387)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

Plan Administration and Benefits. The County, as authorized by the County Commission, administers a single employer defined benefit Postemployment Healthcare Benefits Plan (the “PHCB Plan”). The PHCB Plan is administered by the County management, under the direction of the County’s Board of Commissioners. The County will provide, at its expense, medical insurance for all full-time employees who retire with at least 30 years of retirement service with the Local Governmental Employees’ Retirement System (LGERS), of which the last 20 years of service must be with Halifax County. Employees with at least 20 years of Halifax County service who are retiring early, based on a disability approved by the LGERS will be provided medical insurance, at the County’s expense, for a period of 18 months from the approved retirement date. Employees who are retiring with at least 20 years of Halifax County service may continue to participate in the County’s health insurance plan by paying the full premium amount. Coverage will cease when the retiree reaches 65 years of age and is eligible for Medicare.

The County’s Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the PHCB Plan.

Plan Membership. Membership of the PHCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Active participants	500
Retirees and beneficiaries currently receiving benefits	33
Total	<u>533</u>

Contributions. The Board of Commissioners has elected to fund the PHCB plan on a “pay as you go” basis. Plan members, once retired, contribute to the plan based on number of years of creditable service. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2023, the County contributed \$389,520 for the pay as you go benefits for the PHCB Plan.

Total OPEB Liability of the County. The County’s total OPEB liability was measured as of June 30, 2022, as determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date utilizing update procedures incorporating the actuarial assumptions.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.54%
Healthcare Cost Trend Rate:	7.00% - 4.50%, Ultimate Trend in 2031 (Pre-Medicare) 5.125% - 4.50%, Ultimate Trend in 2024 (Medicare)
Inflation Rate:	2.50%
Salary increase:	3.25% to 7.90% (LEO) or 8.41% (other), including inflation
Participation rate:	20% to 100%, depending on length of service

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period 2015-2019, adopted by the LGERS Board.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.54%. This represents an increase from the discount rate used in the prior year, 2.16%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.54% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2022.

Changes in the Total OPEB Liability of the County. The changes in the components of the total OPEB liability of the County for the year ended June 30, 2023, were as follows:

	Total OPEB Liability
Balance at June 30, 2022	<u>\$ 14,601,517</u>
Changes for the year:	
Service cost	628,729
Interest	323,955
Differences between expected and actual experience	23,246
Assumption changes	(1,990,584)
Benefit payments	(467,145)
Net changes	<u>(1,481,799)</u>
Balance at June 30, 2023	<u>\$ 13,119,718</u>

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 14,528,832	\$ 13,119,718	\$ 11,872,529

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 11,554,204	\$ 13,119,718	\$ 14,984,810

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023, and the current sharing pattern of costs between employer and inactive employees.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the County recognized OPEB expense of \$1,229,280. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,195,278	\$ 242,237
Changes in assumptions	2,599,365	1,995,120
Benefits paid subsequent to measurement date	389,520	-
Total	\$ 4,184,163	\$ 2,237,357

Benefits paid by the County subsequent to the measurement date of \$389,520 are reported as deferred outflows of resources and will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2024	\$ 276,595
2025	276,595
2026	313,231
2027	353,786
2028	384,813
Thereafter	(47,733)
Total	\$ 1,557,287

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of losses 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.

The County obtained blanket property insurance coverage of \$86,270,623 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 \$2,000,000 general aggregate limit for commercial general liability coverage. There have been no significant reductions in insurance coverage in the prior years.

The County does not carry flood insurance.

The County is self-insured for employee health and accident insurance. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. 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.

Claim Liability	Beginning Liability	Current Year Claims	Claims Paid	Ending Liability
June 30, 2023	\$ 570,860	\$ 5,505,086	\$ 5,602,563	\$ 473,383
June 30, 2022	689,193	5,413,270	5,531,603	570,860

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 is bonded for \$50,000; the County Manager is bonded for \$25,000; and the Register of Deeds and Tax Collector are each individually bonded for \$10,000 and \$100,000, respectively. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

Litigation:

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 11. JOINTLY GOVERNED ORGANIZATIONS

Upper Coastal Plains Council of Governments. The County, along with three other counties and thirty-two municipalities jointly govern the Upper Coastal Plains Council of Governments, which is also referred to as the Region L Council (the "Council"). The participating governments established the Council to coordinate funding received from various federal and state agencies. The County paid membership fees and professional service fees of \$22,030 to the Council during the fiscal year ended June 30, 2023.

Halifax Community College. Halifax County, Halifax County Board of Education, and the State of North Carolina participate in a joint venture to operate Halifax Community College (the "College"). Each participant appoints four members to the board, with the thirteenth member being the College's student government association president. The County provides financial support for the College's operations. The County has an ongoing financial responsibility for the College because of the statutory responsibilities to provide funding for the College's facilities. There is no equity interest recognized by any participant. During the fiscal year ended June 30, 2023, the County contributed \$1,464,528 for operating purposes and capital outlay. Complete financial statements may be obtained from the College's administrative office at Highway 158, Weldon, North Carolina 27890.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURES

Choanoke Public Transportation Authority. Counties Halifax, Bertie, Herford, and Northampton, participate in a joint venture to operate the Choanoke Public Transportation Authority (the “Transportation Authority”). Halifax County appoints three members to the board, and the other Counties each appoint two members. The Counties 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. There is no equity interest recognized by any participant. During the fiscal year ended June 30, 2023, the County contributed \$197,787 for operating purposes. Complete financial statements may be obtained from the Transportation Authority’s administrative office at 106 North Main Street, Rich Square, North Carolina 27869.

Halifax-Northampton Regional Airport Authority. Halifax County, Northampton County, and the City of Roanoke Rapids participate in a joint venture to operate the Halifax-Northampton Regional Airport Authority (the “Airport”). Halifax County appoints four members to the board. The County has an ongoing financial responsibility to the Airport for its operational funding. There is no equity interest recognized by any participant. During the fiscal year ended June 30, 2023, the County contributed \$40,000 for operating purposes. Complete financial statements may be obtained from the Airport’s administrative office at 700 Gregory Farm Road, Halifax, North Carolina 27839.

REQUIRED SUPPLEMENTARY INFORMATION

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

OPEB RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability			
Service cost	\$ 628,729	\$ 543,983	\$ 390,027
Interest on total OPEB liability	323,955	246,087	333,832
Difference between expected and actual experience	23,246	1,516,707	20,967
Changes of assumptions and other inputs	(1,990,584)	2,196,992	1,378,096
Benefit payments	(467,145)	(981,504)	(380,091)
Net change in total OPEB liability	<u>(1,481,799)</u>	<u>3,522,265</u>	<u>1,742,831</u>
Total OPEB liability - beginning	<u>14,601,517</u>	<u>11,079,252</u>	<u>9,336,421</u>
Total OPEB liability - ending	<u>\$ 13,119,718</u>	<u>\$ 14,601,517</u>	<u>\$ 11,079,252</u>
Covered-employee payroll	\$ 20,780,407	\$ 20,975,701	\$ 20,999,345
Total OPEB liability as a percentage of covered-employee payroll	63.1%	69.6%	52.8%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The County is not accumulating assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

2020	2019	2018
\$ 362,849	\$ 377,728	\$ 412,915
352,911	321,917	275,655
(458,977)	(10,033)	148,293
179,730	(310,357)	(528,942)
(341,447)	(357,883)	(488,196)
95,066	21,372	(180,275)
9,241,355	9,219,983	9,400,258
\$ 9,336,421	\$ 9,241,355	\$ 9,219,983
\$ 21,049,616	\$ 22,689,082	\$ 18,532,504
44.4%	40.7%	49.8%

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) LAST TEN FISCAL YEARS*

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension liability (asset) (%)	0.28851%	0.29031%	0.30286%	0.32505%
County's proportion of the net pension liability (asset) (\$)	\$ 16,276,084	\$ 4,452,184	\$ 10,822,478	\$ 8,876,863
County's covered-employee payroll	\$ 22,280,653	\$ 22,621,209	\$ 22,395,077	\$ 19,813,447
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	73.05%	19.68%	48.33%	44.80%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	91.63%

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

2019	2018	2017	2016	2015	2014
0.32914%	0.34813%	0.34813%	0.34115%	0.33898%	0.34810%
\$ 7,808,326	\$ 5,142,163	\$ 7,388,485	\$ 1,531,061	\$ (1,999,122)	\$ 4,195,942
\$ 21,024,756	\$ 21,387,061	\$ 21,143,405	\$ 20,409,317	\$ 20,433,406	\$ 19,174,991
37.14%	24.04%	34.94%	7.50%	(9.78%)	21.88%
91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

HALIFAX COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS**

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,073,248	\$ 2,425,242	\$ 2,166,047	\$ 1,925,482
Contributions in relation to the contractually required contribution	3,073,248	2,425,242	2,166,047	1,925,482
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 23,294,639	\$ 22,280,653	\$ 22,621,209	\$ 22,395,077
Contributions as a percentage of covered-employee payroll	13.19%	10.88%	9.58%	8.60%

2019	2018	2017	2016	2015	2014
\$ 1,608,639	\$ 1,635,512	\$ 1,582,517	\$ 1,429,886	\$ 1,439,526	\$ 1,438,766
1,608,639	1,635,512	1,582,517	1,429,886	1,439,526	1,438,766
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 19,813,447	\$ 21,024,756	\$ 21,387,061	\$ 21,143,405	\$ 20,409,317	\$ 20,433,406
8.12%	7.78%	7.40%	6.76%	7.05%	7.04%

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

Valuation date	December 31, 2021
Actuarial cost method	Frozen entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12 years
Asset valuation method	Asset returns in excess of or less than the expected return on market value of assets reflected over a five-year period (not greater than 120% of market value and not less than 80% of market value)
Inflation rate	2.50%
Salary increases	3.25 – 8.25%, including inflation
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY LAST SEVEN FISCAL YEARS

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance of the total pension liability	\$ 2,486,941	\$ 2,518,973	\$ 1,919,745
Service cost	114,323	125,018	89,510
Interest on the total pension liability	54,563	47,775	61,237
Difference between expected and actual experience	(80,379)	(56,706)	(35,917)
Changes of assumptions or other inputs	(339,585)	(60,923)	571,009
Benefit payments	(123,807)	(87,196)	(86,611)
Ending balance of the total pension liability	<u>\$ 2,112,056</u>	<u>\$ 2,486,941</u>	<u>\$ 2,518,973</u>

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

2020	2019	2018	2017
\$ 1,673,256	\$ 1,691,384	\$ 1,586,970	\$ 1,579,681
76,333	83,804	69,552	77,159
58,962	51,845	59,401	54,829
166,499	10,835	(27,504)	-
53,557	(63,187)	99,146	(36,966)
(108,862)	(101,425)	(96,181)	(87,733)
<u>\$ 1,919,745</u>	<u>\$ 1,673,256</u>	<u>\$ 1,691,384</u>	<u>\$ 1,586,970</u>

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL LAST SEVEN FISCAL YEARS

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 2,112,056	\$ 2,486,941	\$ 2,518,973
County's covered-employee payroll	\$ 2,992,997	\$ 3,069,317	\$ 3,075,560
Total pension liability as a percentage of covered-employee payroll	70.57%	81.03%	81.90%

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

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

2020	2019	2018	2017
\$ 1,919,745	\$ 1,673,256	\$ 1,691,384	\$ 1,586,970
\$ 2,997,003	\$ 2,875,635	\$ 2,854,139	\$ 2,682,099
64.06%	58.19%	59.26%	59.17%

HALIFAX COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST TEN FISCAL YEARS***

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension asset (%)	0.35230%	0.33637%	0.34143%	0.34441%
County's proportion of the net pension liability (asset) (\$)	\$ (46,645)	\$ (64,627)	\$ (78,249)	\$ (67,993)
County's covered-employee payroll	\$ 73,687	\$ 71,408	\$ 67,891	\$ 66,714
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-63.30%	-90.50%	-115.26%	-101.92%
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%

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

2019	2018	2017	2016	2015	2014
0.41554%	0.42784%	0.42215%	0.43917%	0.42865%	0.40189%
\$ (68,826)	\$ (73,208)	\$ (78,925)	\$ (101,773)	\$ (97,158)	\$ (85,844)
\$ 61,939	\$ 87,076	\$ 89,433	\$ 84,819	\$ 84,385	\$ 81,119
-111.12%	-84.07%	-88.25%	-119.99%	-115.14%	-105.82%
153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

HALIFAX COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS**

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,590	\$ 4,039	\$ 4,037	\$ 3,269
Contributions in relation to the contractually required contribution	3,590	4,039	4,037	3,269
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 75,898	\$ 73,687	\$ 71,408	\$ 67,891
Contributions as a percentage of covered-employee payroll	4.73%	5.48%	5.65%	4.82%

2019	2018	2017	2016	2015	2014
\$ 3,274	\$ 3,556	\$ 3,717	\$ 3,449	\$ 3,514	\$ 3,500
3,274	3,556	3,717	3,449	3,514	3,500
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 66,714	\$ 61,939	\$ 87,076	\$ 89,433	\$ 84,819	\$ 84,385
4.91%	5.74%	4.27%	3.86%	4.14%	4.15%

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

Valuation date	December 31, 2021
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	20
Asset valuation method	Asset returns in excess of or less than the expected return on market value of assets reflected over a five-year period (not greater than 120% of market value and not less than 80% of market value)
Inflation rate	2.50%
Salary increases	3.25 – 8.25%, including inflation
Investment rate of return	3.00%, net of pension plan investment expense, including inflation

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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.

Local Fire Districts Fund – accounts for the collection of special fire district taxes that are returned quarterly to the fire districts on a budgeted basis.

Roanoke Rapids School Graded District Fund – accounts for the ad valorem tax levies for the Roanoke Rapids School District.

Halifax County School District Fund – accounts for the ad valorem tax levies for the Halifax County School District.

Opioid Settlement Fund – accounts for the monies deposited from the opioid settlement to fight against the opioid epidemic.

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

Property and Seizure Fund – accounts for the monies and assets seized by law enforcement officers and court officials.

Halifax County Capital Reserve Fund – accounts for the allocation for future high cost capital projects.

CDBG Neighborhood Revitalization – accounts for the State budgeted funds for municipalities in the County which Halifax acted as the pass-through entity.

Capital Project Funds

Economic Development Fund – accounts for projects supporting economic development in the area for which assets will not be owned or used by the County.

Halifax Corporate Park Demolition – accounts for the local grants and contributions to aid in the funding of the project costs.

OSBM Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

Roseburg Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

RPO Peanut Belt Capital Project Fund – accounts for the economic development projects of the Peanut Belt Planning Organization.

Capital Project Funds (Continued)

4-H Recreation – accounts for the local grants and contributions to aid in the funding of the project costs.

Enfield Industrial Site Readiness Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

White Good Handling Facility Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

Weldon School 6th – 12th Construction Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

Halifax County Schools New PK-8 Construction Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

Halifax County Court Services Building Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

Choanoke Area Housing Consortium Project Fund – accounts for the local grants and contributions to aid in the funding of the project costs.

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds					
	Emergency Telephone System	Our Community Hospital Center	Weldon School District	Fire Districts	Roanoke Rapids School Graded District	Halifax County School District
ASSETS						
Cash and cash equivalents	\$ 572,066	\$ 83	\$ 17,463	\$ 5,855	\$ 8,975	\$ 7,939
Taxes receivable	-	19,497	93,781	115,219	63,662	139,450
Accounts receivable	16,392	-	104,806	115,437	26,127	169,587
Due from other governments	13,523	-	-	-	-	-
Total assets	<u>601,981</u>	<u>19,580</u>	<u>216,050</u>	<u>236,511</u>	<u>98,764</u>	<u>316,976</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	1,018	83	122,269	121,292	35,102	177,526
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>1,018</u>	<u>83</u>	<u>122,269</u>	<u>121,292</u>	<u>35,102</u>	<u>177,526</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - ad valorem	-	19,497	93,781	115,219	63,662	139,450
Total deferred inflows of resources	<u>-</u>	<u>19,497</u>	<u>93,781</u>	<u>115,219</u>	<u>63,662</u>	<u>139,450</u>
FUND BALANCES						
Restricted:						
Stabilization by State Statute	29,915	-	-	-	-	-
Public safety	571,048	-	-	-	-	-
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-
Assigned:						
Economic and physical development	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>600,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 601,981</u>	<u>\$ 19,580</u>	<u>\$ 216,050</u>	<u>\$ 236,511</u>	<u>\$ 98,764</u>	<u>\$ 316,976</u>

Special Revenue Funds

Opioid Settlement	Representative Payee	CDBG Neighborhood Revitalization	Halifax County Capital Reserve	Property and Seizure
\$ 378,359	\$ 74,154	\$ -	\$ 881,154	\$ 63,624
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>378,359</u>	<u>74,154</u>	<u>-</u>	<u>881,154</u>	<u>63,624</u>
-	55,163	-	-	-
-	-	-	-	-
-	<u>55,163</u>	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
378,359	-	-	-	63,624
-	18,991	-	-	-
-	-	-	-	-
-	-	-	881,154	-
-	-	-	-	-
-	-	-	-	-
<u>378,359</u>	<u>18,991</u>	<u>-</u>	<u>881,154</u>	<u>63,624</u>
<u>\$ 378,359</u>	<u>\$ 74,154</u>	<u>\$ -</u>	<u>\$ 881,154</u>	<u>\$ 63,624</u>

(continued)

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Capital Project Funds					
	Economic Development	Halifax Corporate Park Demolition Project	OSMB Project	Roseburg Project	RPO Peanut Belt Capital Project	Enfield Industrial Site Readiness Project
ASSETS						
Cash and cash equivalents	\$ 42,717	\$ 940	\$ 1,230,950	\$ -	\$ 42,284	\$ -
Taxes receivable	-	-	21,500	5,624	-	-
Accounts receivable	-	-	-	-	19,765	-
Due from other governments	-	-	-	-	476	-
Total assets	42,717	940	1,252,450	5,624	62,525	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	-	-	80,500	40,907	591	-
Due to other funds	-	-	-	6,092	-	-
Total liabilities	-	-	80,500	46,999	591	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - ad valorem	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted:						
Stabilization by State Statute	-	-	-	-	-	-
Public safety	-	-	1,171,950	-	-	-
Education	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and recreation	-	940	-	-	-	-
Economic and physical development	-	-	-	-	61,934	-
Assigned:						
Economic and physical development	42,717	-	-	-	-	-
Unassigned	-	-	-	(41,375)	-	-
Total fund balances	42,717	940	1,171,950	(41,375)	61,934	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,717	\$ 940	\$ 1,252,450	\$ 5,624	\$ 62,525	\$ -

Capital Project Funds							
White Goods Handling Facility Project	Weldon School 6th - 12th Construction Project	Halifax County Schools New PK-8 Construction Project	Halifax County Court Services Building Project	Choanoke Area Housing Consortium Project	4-H Recreation	Total Nonmajor Governmental Funds	
\$ 11,185	\$ 2,344,165	\$ 1,765,703	\$ 388,125	\$ 2,000	\$ 110,500	\$ 7,948,241	
-	-	-	-	-	-	458,733	
-	-	-	-	-	-	452,114	
-	-	-	-	-	-	13,999	
<u>11,185</u>	<u>2,344,165</u>	<u>1,765,703</u>	<u>388,125</u>	<u>2,000</u>	<u>110,500</u>	<u>8,873,087</u>	
11,185	581,360	156,853	-	-	-	1,383,849	
-	-	-	-	-	-	6,092	
<u>11,185</u>	<u>581,360</u>	<u>156,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,389,941</u>	
-	-	-	-	-	-	431,609	
-	-	-	-	-	-	431,609	
-	-	-	-	-	-	29,915	
-	-	-	-	-	-	2,184,981	
-	1,762,805	1,608,850	-	-	-	3,371,655	
-	-	-	-	-	-	18,991	
-	-	-	-	-	110,500	111,440	
-	-	-	388,125	2,000	-	1,333,213	
-	-	-	-	-	-	42,717	
-	-	-	-	-	-	(41,375)	
<u>-</u>	<u>1,762,805</u>	<u>1,608,850</u>	<u>388,125</u>	<u>2,000</u>	<u>110,500</u>	<u>7,051,537</u>	
<u>\$ 11,185</u>	<u>\$ 2,344,165</u>	<u>\$ 1,765,703</u>	<u>\$ 388,125</u>	<u>\$ 2,000</u>	<u>\$ 110,500</u>	<u>\$ 8,873,087</u>	

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					
	Emergency Telephone System	Our Community Hospital Center	Weldon School District	Local Fire Districts	Roanoke Rapids School Graded District	Halifax County School District
REVENUES						
Property taxes	\$ -	\$ 1,367	\$ 1,344,930	\$ 1,645,145	\$ 2,094,186	\$ 2,159,227
Sales tax	-	-	468,198	358,738	-	-
Other taxes	-	-	-	-	-	806,446
Intergovernmental revenues	196,707	-	-	-	-	-
Investment earnings	14,991	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Total revenues	<u>211,698</u>	<u>1,367</u>	<u>1,813,128</u>	<u>2,003,883</u>	<u>2,094,186</u>	<u>2,965,673</u>
EXPENDITURES						
Public safety	263,766	-	-	2,003,883	-	-
Economic and physical development	-	-	-	-	-	-
Human services	-	1,367	-	-	-	-
Education	-	-	1,813,128	-	2,094,186	2,965,673
Total expenditures	<u>263,766</u>	<u>1,367</u>	<u>1,813,128</u>	<u>2,003,883</u>	<u>2,094,186</u>	<u>2,965,673</u>
Excess (deficiency) of revenues over (under) expenditures	(52,068)	-	-	-	-	-
OTHER FINANCING SOURCES						
Transfers in	187,473	-	-	-	-	-
Total other financing sources	<u>187,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	135,405	-	-	-	-	-
FUND BALANCES, beginning of year	<u>465,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 600,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Opioid Settlement	Representative Payee	CDBG Neighborhood Revitalization	Halifax County Capital Reserve	Property and Seizure
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
266,234	-	-	-	-
-	-	-	31,154	-
-	257,411	-	-	51,843
<u>266,234</u>	<u>257,411</u>	<u>-</u>	<u>31,154</u>	<u>51,843</u>
-	-	-	-	25,251
-	223,729	-	-	-
-	-	-	-	-
<u>-</u>	<u>223,729</u>	<u>-</u>	<u>-</u>	<u>25,251</u>
266,234	33,682	-	31,154	26,592
-	-	-	850,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>-</u>
266,234	33,682	-	881,154	26,592
<u>112,125</u>	<u>(14,691)</u>	<u>-</u>	<u>-</u>	<u>37,032</u>
<u>\$ 378,359</u>	<u>\$ 18,991</u>	<u>\$ -</u>	<u>\$ 881,154</u>	<u>\$ 63,624</u>

(continued)

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Capital Project Funds					
	Economic Development	Halifax Corporate Park Demolition Project	OSMB Project	Roseburg Project	RPO Peanut Belt Capital Project	Enfield Industrial Site Readiness Project
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	23,205	-	500,457	79,549	18,500
Investment earnings	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>23,205</u>	<u>-</u>	<u>500,457</u>	<u>79,549</u>	<u>18,500</u>
EXPENDITURES						
Public safety	-	-	382,425	-	-	-
Economic and physical development	-	30,000	-	522,054	99,436	18,500
Human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>30,000</u>	<u>382,425</u>	<u>522,054</u>	<u>99,436</u>	<u>18,500</u>
Excess (deficiency) of revenues over (under) expenditures	-	(6,795)	(382,425)	(21,597)	(19,887)	-
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(6,795)	(382,425)	(21,597)	(19,887)	-
FUND BALANCES, beginning of year	<u>42,717</u>	<u>7,735</u>	<u>1,554,375</u>	<u>(19,778)</u>	<u>81,821</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 42,717</u>	<u>\$ 940</u>	<u>\$ 1,171,950</u>	<u>\$ (41,375)</u>	<u>\$ 61,934</u>	<u>\$ -</u>

Capital Projects Funds						
White Goods Handling Facility Project	Weldon School 6th - 12th Construction Project	Halifax County Schools New PK-8 Construction Project	Halifax County Court Services Building Project	Choanoke Area Housing Consortium Project	4-H Recreation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,244,855
-	-	-	-	-	-	826,936
-	-	-	-	-	-	806,446
-	-	-	450,000	26,500	-	1,561,152
-	-	-	-	-	-	46,145
-	-	-	-	-	-	309,254
-	-	-	450,000	26,500	-	10,794,788
-	-	-	-	-	-	2,675,325
-	-	-	61,875	24,500	-	756,365
-	-	-	-	-	-	225,096
-	747,594	448,150	-	-	-	8,068,731
-	747,594	448,150	61,875	24,500	-	11,725,517
-	(747,594)	(448,150)	388,125	2,000	-	(930,729)
-	2,510,399	2,057,000	-	-	-	5,604,872
-	2,510,399	2,057,000	-	-	-	5,604,872
-	1,762,805	1,608,850	388,125	2,000	-	4,674,143
-	-	-	-	-	110,500	2,377,394
\$ -	\$ 1,762,805	\$ 1,608,850	\$ 388,125	\$ 2,000	\$ 110,500	\$ 7,051,537

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Ad valorem taxes:				
Taxes	\$ 30,305,000	\$ 30,305,000	\$ 31,719,671	\$ 1,414,671
Tax penalties and interest	200,000	200,000	202,491	2,491
Total ad valorem taxes	<u>30,505,000</u>	<u>30,505,000</u>	<u>31,922,162</u>	<u>1,417,162</u>
Other taxes and licenses:				
Local option sales tax	10,175,500	10,175,500	12,911,451	2,735,951
Cable franchise tax	70,000	70,000	65,446	(4,554)
	<u>10,245,500</u>	<u>10,245,500</u>	<u>12,976,897</u>	<u>2,731,397</u>
Unrestricted intergovernmental revenues:				
Fines and forfeitures	150,000	176,515	176,515	-
Beer and wine tax	125,000	125,000	123,248	(1,752)
Total unrestricted intergovernmental revenues	<u>275,000</u>	<u>301,515</u>	<u>299,763</u>	<u>(1,752)</u>
Restricted intergovernmental revenues:				
Federal and State grants	952,087	1,531,933	1,567,803	35,870
North Carolina ADM allocation	200,000	200,000	200,000	-
Lottery proceeds	-	200,000	200,000	-
Halifax ABC revenue	335,000	382,277	436,803	54,526
Total restricted intergovernmental revenues	<u>1,487,087</u>	<u>2,314,210</u>	<u>2,404,606</u>	<u>90,396</u>
Permits and fees:				
Facility fees	50,000	50,000	63,734	13,734
Building inspection fees	200,000	200,000	189,744	(10,256)
Register of deeds fees	378,500	378,500	608,600	230,100
Other fees and rents	1,391,100	1,432,586	1,517,153	84,567
Total permits and fees	<u>2,019,600</u>	<u>2,061,086</u>	<u>2,379,231</u>	<u>318,145</u>
Sales and Services:				
Occupancy tax administration	1,030,000	1,313,250	1,308,629	(4,621)
Jail fees	65,000	65,000	48,054	(16,946)
Central communications	546,608	546,608	505,884	(40,724)
Other sales and services	3,850	22,600	23,271	671
Total sales and services revenues	<u>1,645,458</u>	<u>1,947,458</u>	<u>1,885,838</u>	<u>(61,620)</u>
Investment earnings	1,000	1,000	1,947,128	1,946,128
Miscellaneous revenues:	703,975	797,520	722,070	(75,450)
Total revenues	<u>46,882,620</u>	<u>48,173,289</u>	<u>54,537,695</u>	<u>6,364,406</u>

(continued)

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

Expenditures	Budget		Actual	Variance with Final Budget
	Original	Final		
General government:				
Governing body				
Salaries and employee benefits	\$ 733,176	\$ 1,153,167	\$ 1,132,183	\$ 20,984
Operating expenditures	44,616	44,616	34,702	9,914
Total	<u>777,792</u>	<u>1,197,783</u>	<u>1,166,885</u>	<u>30,898</u>
Administration				
Salaries and employee benefits	619,488	624,898	612,132	12,766
Operating expenditures	91,861	90,065	35,303	54,762
Total	<u>711,349</u>	<u>714,963</u>	<u>647,435</u>	<u>67,528</u>
Human resources				
Salaries and employee benefits	287,379	289,469	204,844	84,625
Operating expenditures	24,209	24,297	19,662	4,635
Total	<u>311,588</u>	<u>313,766</u>	<u>224,506</u>	<u>89,260</u>
Finance				
Salaries and employee benefits	610,021	619,037	602,648	16,389
Operating expenditures	45,503	62,014	39,603	22,411
Total	<u>655,524</u>	<u>681,051</u>	<u>642,251</u>	<u>38,800</u>
Tax administration				
Salaries and employee benefits	1,285,735	1,304,823	1,121,962	182,861
Operating expenditures	374,346	349,796	204,597	145,199
Capital Outlay	-	20,640	20,236	404
Total	<u>1,660,081</u>	<u>1,675,259</u>	<u>1,346,795</u>	<u>328,464</u>
Tax revaluation				
Salaries and employee benefits	267,694	271,017	227,527	43,490
Operating expenditures	164,675	189,193	84,218	104,975
Capital outlay	-	2,574	-	2,574
Total	<u>432,369</u>	<u>462,784</u>	<u>311,745</u>	<u>151,039</u>
Legal				
Salaries and employee benefits	284,233	289,233	279,779	9,454
Operating expenditures	43,833	86,253	27,856	58,397
Total	<u>328,066</u>	<u>375,486</u>	<u>307,635</u>	<u>67,851</u>
Elections				
Salaries and employee benefits	230,242	232,846	222,446	10,400
Operating expenditures	92,438	89,173	82,730	6,443
Total	<u>322,680</u>	<u>322,019</u>	<u>305,176</u>	<u>16,843</u>

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - GENERAL DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

Expenditures (Continued)	Budget		Actual	Variance with Final Budget
	Original	Final		
General government (Continued):				
Register of deeds				
Salaries and employee benefits	\$ 351,972	\$ 352,641	\$ 344,508	\$ 8,133
Operating expenditures	123,067	160,289	99,902	60,387
Total	475,039	512,930	444,410	68,520
Information technology services				
Salaries and employee benefits	319,510	322,211	310,172	12,039
Operating expenditures	496,855	556,552	402,053	154,499
Total	816,365	878,763	712,225	166,538
Maintenance and repairs - public buildings				
Operating expenditures	478,210	953,828	500,682	453,146
Capital outlay	198,500	395,478	149,194	246,284
Total	676,710	1,349,306	649,876	699,430
Operations				
Salaries and employee benefits	1,043,664	1,055,822	954,062	101,760
Operating expenditures	186,695	183,467	81,084	102,383
Capital outlay	-	25,328	-	25,328
Total	1,230,359	1,264,617	1,035,146	229,471
Non-departmental expenditures				
Salaries and employee benefits	7,536	7,536	7,536	-
Operating expenditures	2,236,666	2,335,332	2,056,561	278,771
Total	2,244,202	2,342,868	2,064,097	278,771
Other general government				
Agriculture complex	35,490	35,490	31,919	3,571
CADA	-	15,000	15,000	-
Community corrections building	16,802	16,802	13,514	3,288
Court service	92,170	92,170	76,689	15,481
Criminal justice building	10,679	12,077	12,077	-
CTPA	20,000	20,000	20,000	-
Fuel center	7,593	7,593	3,152	4,441
Historic courthouse	70,714	108,287	85,999	22,288
Judicial services	17,219	17,219	6,335	10,884
Klausner Lumner 2 Bankruptcy	-	-	-	-
Magistrates	7,940	7,940	7,940	-
Permits and inspections	8,097	7,834	6,051	1,783
Public buildings	11,090	11,516	9,729	1,787
Rural life complex	17,400	17,400	14,402	2,998
Total	315,194	369,328	302,807	66,521
Total general government:	10,957,318	12,460,923	10,160,989	2,299,934

(continued)

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

Expenditures (Continued)	Budget		Actual	Variance with Final Budget
	Original	Final		
Public safety:				
Sheriff				
Salaries and employee benefits	\$ 5,770,387	\$ 5,796,489	\$ 5,328,382	\$ 468,107
Operating expenditures	1,514,156	1,361,666	1,163,216	198,450
Capital outlay	489,000	1,045,325	1,028,356	16,969
Total	7,773,543	8,203,480	7,519,954	683,526
Jail				
Salaries and employee benefits	2,053,695	2,066,185	1,835,853	230,332
Operating expenditures	1,549,685	1,566,783	1,424,787	141,996
Total	3,603,380	3,632,968	3,260,640	372,328
Fire Marshall				
Salaries and employee benefits	78,989	80,208	78,925	1,283
Operating expenditures	9,698	16,674	10,344	6,330
Total	88,687	96,882	89,269	7,613
Emergency management				
Salaries and employee benefits	96,018	97,220	95,371	1,849
Operating expenditures	22,182	37,766	26,247	11,519
Total	118,200	134,986	121,618	13,368
Central communications				
Salaries and employee benefits	1,580,472	1,590,389	1,335,606	254,783
Operating expenditures	114,544	195,188	134,266	60,922
Capital outlay	28,000	194,609	111,073	83,536
Total	1,723,016	1,980,186	1,580,945	399,241
Planning & inspections				
Salaries and employee benefits	365,889	369,138	255,219	113,919
Operating expenditures	67,860	59,787	28,831	30,956
Total	433,749	428,925	284,050	144,875
Planning board				
Salaries and employee benefits	3,175	3,175	563	2,612
Board of adjustment				
Salaries and employee benefits	3,573	3,573	779	2,794
Fire department allocations				
Fire departments and rescue squads	79,000	79,000	79,000	-
Other public safety				
AED grant	-	4,697	4,211	486
Bulletproof vest	-	19,030	16,758	2,272
Controlled substance	32,000	32,000	10,350	21,650
Coroner	60,000	60,000	45,750	14,250
Drug task force	3,000	3,000	2,662	338
DTF - federal asset	5,000	5,000	5,000	-
DTF - controlled substance	400	500	-	500
Emergency management supplement	-	90,581	24,617	65,964
Federal asset forfeiture	85,000	85,000	32,507	52,493
Halifax helps	200	200	-	200
Outside allocations	2,500	2,500	2,500	-
ICAC	-	2,500	415	2,085
EMPG ARPA	-	11,068	11,068	-
Sheriff K9 grant	-	15,000	15,000	-
Narcans grant	-	4,700	-	4,700
Tier II LEPC grant	-	1,117	1,100	17
Total	188,100	336,893	171,938	164,955
Total public safety	14,014,423	14,900,068	13,108,756	1,791,312

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - GENERAL DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

Expenditures (Continued)	Budget		Actual	Variance with Final Budget
	Original	Final		
Economic and physical development:				
Development communications				
Salaries and employee benefits	\$ 248,400	\$ 251,421	\$ 249,453	\$ 1,968
Operating expenditures	89,496	110,646	89,877	20,769
Total	<u>337,896</u>	<u>362,067</u>	<u>339,330</u>	<u>22,737</u>
Tourism				
Salaries and employee benefits	3,800	3,800	3,800	-
Co-Op/Farmers' market				
Salaries and employee benefits	-	2,091	1,912	179
Operating expenditures	-	2,906	2,012	894
Total	<u>-</u>	<u>4,997</u>	<u>3,924</u>	<u>1,073</u>
Co-Op extension				
Salaries and employee benefits	244,622	244,622	232,710	11,912
Operating expenditures	95,139	98,199	90,720	7,479
Total	<u>339,761</u>	<u>342,821</u>	<u>323,430</u>	<u>19,391</u>
Rural life				
Salaries and employee benefits	44,286	41,387	36,210	5,177
Operating expenditures	35,410	41,620	38,862	2,758
Capital outlay	10,000	95,829	74,327	21,502
Total	<u>89,696</u>	<u>178,836</u>	<u>149,399</u>	<u>29,437</u>
Natural Resources				
Salaries and employee benefits	221,225	223,038	185,044	37,994
Operating expenditures	31,496	40,095	17,122	22,973
Total	<u>252,721</u>	<u>263,133</u>	<u>202,166</u>	<u>60,967</u>
Other economic and physical development				
4-H account	6,004	25,003	12,224	12,779
AgCar farm grant	-	4,000	-	4,000
County extension	20,777	27,047	1,333	25,714
CREP	-	859	-	859
Economic development incentives	-	1,941,000	1,941,000	-
Extension agent	10,770	29,669	2,862	26,807
Farm and ranchlands	-	15,780	-	15,780
Forestry	130,503	130,503	98,893	31,610
Market based conservation	-	10,725	-	10,725
Monsanto grant	-	497	406	91
No till	-	7,691	742	6,949
NRCS equipment II	-	26,542	-	26,542
NRCS soil health	-	21,649	-	21,649
Outside allocations	42,000	45,437	32,223	13,214
RV Chamber of Commerce	33,150	61,202	47,978	13,224
Soil health	-	3,796	-	3,796
Total	<u>243,204</u>	<u>2,351,400</u>	<u>2,137,661</u>	<u>213,739</u>
Total economic and physical development	<u>1,267,078</u>	<u>3,507,054</u>	<u>3,159,710</u>	<u>347,344</u>

(continued)

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - GENERAL DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

Expenditures (Continued)	Budget		Actual	Variance with Final Budget
	Original	Final		
Human services:				
Elderly transportation				
Operating expenditures	\$ -	\$ 209,782	\$ 209,782	\$ -
Total	-	209,782	209,782	-
Operation Restart - restitution				
Salaries and employee benefits	59,324	59,324	59,324	-
Operating expenditures	11,703	13,061	13,061	-
Total	71,027	72,385	72,385	-
Operation restart				
Salaries and employee benefits	104,289	104,289	104,288	1
Operating expenditures	6,700	17,501	17,500	1
Total	110,989	121,790	121,788	2
Student incentive				
Salaries and employee benefits	89,762	70,272	67,098	3,174
Operating expenditures	20,717	22,633	20,885	1,748
Total	110,479	92,905	87,983	4,922
Other human services				
Aging	89,897	93,688	85,110	8,578
Aging MIPPA	-	4,769	1,071	3,698
Council on aging	21,721	22,321	14,254	8,067
Council on aging donations - MoW	-	2,064	1,865	199
Home and community care block grant	452,165	484,994	395,279	89,715
JCPC advisory board	5,000	5,000	5,000	-
JCPC grant	56,000	56,000	56,000	-
Mental health	60,000	72,458	66,352	6,106
Outside allocations	400	400	75	325
SHIIP	-	5,839	2,056	3,783
Senior health insurance grant	-	1,654	-	1,654
Teen court	-	50,850	50,850	-
Senior Health Insurance MIPPA FY17	-	200,000	116,327	83,673
SHIPP MIPPA FY18	-	2,000	-	2,000
Veterans office	74,101	75,020	74,027	993
Total	759,284	1,077,057	868,266	208,791
Total human services	1,051,779	1,573,919	1,360,204	213,715

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

Expenditures (Continued)	Budget		Actual	Variance with Final Budget
	Original	Final		
Cultural and recreational:				
Library				
Salaries and employee benefits	\$ 656,717	\$ 669,635	\$ 657,784	\$ 11,851
Operating expenditures	149,890	159,811	143,942	15,869
Total	806,607	829,446	801,726	27,720
Other cultural and recreational				
LSTA Grant	-	4,047	1,650	2,397
ARPA Funds	-	55,550	50,402	5,148
Total	-	59,597	52,052	7,545
Total cultural and recreational	806,607	889,043	853,778	35,265
Education				
Public school - current expenditures	5,692,231	5,753,566	5,753,566	-
Public school - capital outlay	1,106,606	1,106,606	1,106,606	-
Community college - current expenditures	1,187,851	1,187,851	1,187,851	-
Community college - capital outlay	276,427	276,427	276,427	-
ADM - public school building fund	-	206,341	206,340	1
Total education	8,263,115	8,530,791	8,530,790	1
Debt Service				
Principal	2,625,601	2,626,105	2,759,145	(133,040)
Interest	513,699	513,195	512,787	408
Total debt service	3,139,300	3,139,300	3,271,932	(132,632)
Total expenditures	39,499,620	45,001,098	40,446,159	4,554,939
Excess of revenues over expenditures	7,383,000	3,172,191	14,091,536	10,919,345
Other financing sources (uses)				
Inception of lease	-	-	475,387	475,387
Proceeds from sale of capital assets	-	-	44,500	44,500
Transfers in	2,098,308	13,564,196	13,564,196	-
Transfers out	(14,467,193)	(20,113,400)	(20,111,540)	1,860
Appropriated fund balance	4,985,885	3,377,013	-	(3,377,013)
Total other financing (uses)	(7,383,000)	(3,172,191)	(6,027,457)	(2,855,266)
Net change in fund balances	\$ -	\$ -	8,064,078	\$ 8,064,079
Net change in fund balance from consolidated funds:				
Public health department			(819,930)	
Social services department			(527,753)	
Emergency services management department			(283,441)	
Reassessment fund			11,811	
General Fund, net change in fund balance			\$ 6,444,765	

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 4,429,837	\$ 4,867,815	\$ 3,814,297	\$ (1,053,518)
Sales and services	10,000	10,000	4,467	(5,533)
Miscellaneous revenue	-	-	1,984	1,984
Total revenues	4,439,837	4,877,815	3,820,748	(1,057,067)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	1,103,533	1,063,778	780,839	282,939
Operating expenditures	216,471	183,425	119,957	63,468
Capital outlay	-	-	-	-
Total	1,320,004	1,247,203	900,796	346,407
Animal control:				
Salaries and employee benefits	274,877	276,946	268,297	8,649
Operating expenditures	117,466	107,558	69,928	37,630
Capital outlay	30,000	43,341	13,341	30,000
Total	422,343	427,845	351,566	76,279
AIDS control:				
Salaries and employee benefits	359,121	360,351	265,705	94,646
Operating expenditures	54,150	54,150	18,769	35,381
Total	413,271	414,501	284,474	130,027
Tuberculosis control:				
Salaries and employee benefits	104,897	107,357	102,145	5,212
Operating expenditures	38,700	38,700	17,725	20,975
Capital outlay	-	-	-	-
Total	143,597	146,057	119,870	26,187
Communicable disease:				
Salaries and employee benefits	165,156	100,703	43,639	57,064
Operating expenditures	10,200	15,211	11,110	4,101
Total	175,356	115,914	54,749	61,165
Adult health/diabetes:				
Salaries and employee benefits	281,811	99,018	23,616	75,402
Operating expenditures	108,250	51,239	36,876	14,363
Total	390,061	150,257	60,492	89,765

(continued)

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Maternity:				
Salaries and employee benefits	\$ 298,307	\$ 239,416	\$ 190,091	\$ 49,325
Operating expenditures	111,150	90,939	89,188	1,751
Total	<u>409,457</u>	<u>330,355</u>	<u>279,279</u>	<u>51,076</u>
Family planning:				
Salaries and employee benefits	681,137	626,661	351,734	274,927
Operating expenditures	184,141	294,187	185,185	109,002
Total	<u>865,278</u>	<u>920,848</u>	<u>536,919</u>	<u>383,929</u>
Child services coordinator:				
Salaries and employee benefits	175,662	179,046	76,754	102,292
Operating expenditures	24,200	24,300	7,389	16,911
Total	<u>199,862</u>	<u>203,346</u>	<u>84,143</u>	<u>119,203</u>
Child health:				
Salaries and employee benefits	252,031	233,974	222,666	11,308
Operating expenditures	192,614	156,591	90,519	66,072
Total	<u>444,645</u>	<u>390,565</u>	<u>313,185</u>	<u>77,380</u>
Environmental health:				
Salaries and employee benefits	470,989	475,492	456,283	19,209
Operating expenditures	18,150	48,569	35,090	13,479
Total	<u>489,139</u>	<u>524,061</u>	<u>491,373</u>	<u>32,688</u>
Pandemic management:				
Salaries and employee benefits	-	259,894	166,407	93,487
Operating expenditures	-	1,055	-	1,055
Total	<u>-</u>	<u>260,949</u>	<u>166,407</u>	<u>94,542</u>
Other human services:				
Advancing equity	40,717	67,980	62,557	5,423
Babies easy safe sleep training program	63,674	72,019	72,018	1
Baby love plus	174,711	204,559	176,253	28,306
Bioterrorism	40,340	44,318	44,077	241
Capital outlay - miscellaneous	57,400	57,400	3,411	53,989
Catch my breath	-	10,000	153	9,847
Child health - BESST AA	54,210	97,645	46,414	51,231
Enhanced detection	-	170,421	-	170,421
Folic acid grant	174,379	168,279	147,898	20,381
Health community program	34,539	36,954	36,954	-
Health working and wellness	37,833	40,142	38,941	1,201
Immunization action plan	250,655	242,579	102,840	139,739

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - PUBLIC HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued):				
Other human services (continued):				
Car Seat	\$ -	\$ 52,770	\$ 52,760	\$ 10
ARPA Mini Grant	-	25,000	25,000	-
RR SNFI school nurse	150,000	150,000	112,802	37,198
Smart start	15,034	22,666	22,565	101
Triple P	374,004	376,150	376,149	1
Weldon SNFI school nurse	100,000	100,000	83,238	16,762
WIC - administration	23,126	31,772	30,793	979
WIC - breastfeeding	41,190	47,416	47,084	332
WIC - client services	250,616	238,102	202,054	36,048
WIC - nutrition ed	88,525	104,149	103,212	937
Catch RVCH	-	5,000	1,434	3,566
546 COVID pandemic	-	237,320	83,835	153,485
Total other	<u>1,970,953</u>	<u>2,602,641</u>	<u>1,872,442</u>	<u>730,199</u>
 Total human services	 <u>7,243,966</u>	 <u>7,734,542</u>	 <u>5,515,695</u>	 <u>2,218,847</u>
 Deficiency of revenues under expenditures	 (2,804,129)	 (2,856,727)	 (1,694,947)	 1,161,780
Other financing sources (uses)				
Transfers in	2,821,629	2,874,227	2,874,317	90
Transfer out	(17,500)	(2,017,500)	(2,017,500)	-
Proceeds from sale of capital assets	-	-	18,200	18,200
Appropriated fund balance	-	2,000,000	-	(2,000,000)
Total other financing sources	<u>2,804,129</u>	<u>2,856,727</u>	<u>875,017</u>	<u>(1,981,710)</u>
 Net change in fund balances	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (819,930)</u>	 <u>\$ (819,930)</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - SOCIAL SERVICES DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 9,275,482	\$ 9,779,778	\$ 8,777,285	\$ (1,002,493)
Permits and fees	-	-	8,005	8,005
Miscellaneous	-	7,841	7,841	-
Total revenues	9,275,482	9,787,619	8,793,131	(994,488)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	11,211,921	11,330,428	10,317,682	1,012,746
Operating expenditures	1,211,770	1,236,279	722,452	513,827
Capital outlay	60,000	67,841	66,598	1,243
Total	12,483,691	12,634,548	11,106,732	1,527,816
Other human services:				
4D-purchase	248,487	1,041,050	140,738	900,312
Adoption promotion	-	4,526	468	4,058
Adoptive assistance	66,162	66,162	46,343	19,819
Aid to the blind	8,000	8,000	7,910	90
CBA for foster care	324,558	391,840	384,802	7,038
CPS	-	1,708	1,152	556
Chore services	11,629	14,229	13,050	1,179
CP&L energy	4,961	30,042	-	30,042
Crisis intervention	320,617	369,544	338,693	30,851
Daycare	233,397	74,853	36,776	38,077
Family planning	20,000	10,000	2,733	7,267
Family reunification	7,278	7,278	-	7,278
Fees and refunds	10,000	74,190	10,640	63,550
Home and community care block grant	227,500	192,337	98,107	94,230
LIEAP program	483,556	365,080	290,538	74,542
SNAP - ARPA	-	110,163	46,309	63,854
LIHWAP	-	301,256	209,888	91,368
Medicaid	315,000	580,763	188,045	392,718
Purchased services	43,000	74,547	39,092	35,455
SAFE kids	-	2,938	452	2,486
Shift NC program	-	9,154	6,657	2,497
Social services to the aged	400,000	474,221	474,221	-
Special foster care	10,000	10,000	3,428	6,572
Work first	60,000	60,000	7,480	52,520
Total	2,794,145	4,273,881	2,347,522	1,926,359
Total human services	15,277,836	16,908,429	13,454,254	3,454,175
Deficiency of revenues under expenditures	(6,002,354)	(7,120,810)	(4,661,123)	2,459,687
Other financing uses				
Transfers in	6,067,154	6,198,170	6,198,170	-
Transfers out	(64,800)	(2,064,800)	(2,064,800)	-
Appropriated fund balance	-	2,987,440	-	(2,987,440)
Total other financing sources	6,002,354	7,120,810	4,133,370	(2,987,440)
Net change in fund balances	\$ -	\$ -	\$ (527,753)	\$ (527,753)

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - EMERGENCY MANAGEMENT SERVICES DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 400,000	\$ 537,652	\$ 476,861	\$ (60,791)
Sales and services	2,609,295	2,609,295	1,987,376	(621,919)
Miscellaneous revenue	-	-	6,424	6,424
Total revenues	<u>3,009,295</u>	<u>3,146,947</u>	<u>2,470,661</u>	<u>(676,286)</u>
Expenditures:				
Public Safety:				
Salaries and employee benefits	5,705,086	5,792,899	5,653,776	139,123
Operating expenditures	1,057,611	1,163,169	1,017,240	145,929
Capital outlay	180,000	244,365	69,052	175,313
Total	<u>6,942,697</u>	<u>7,200,433</u>	<u>6,740,068</u>	<u>460,365</u>
Total expenditures	<u>6,942,697</u>	<u>7,200,433</u>	<u>6,740,068</u>	<u>460,365</u>
Deficiency of revenues under expenditures	(3,933,402)	(4,053,486)	(4,269,407)	(215,921)
Other financing sources (uses)				
Transfers in	3,973,002	4,021,966	4,021,966	-
Transfers out	(39,600)	(39,600)	(39,600)	-
Proceeds from sale of capital asset	-	-	3,600	3,600
Appropriated fund balance	-	71,120	-	(71,120)
Total other financing sources	<u>3,933,402</u>	<u>4,053,486</u>	<u>3,985,966</u>	<u>(67,520)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (283,441)</u>	<u>\$ (283,441)</u>

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - REASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,811	\$ 1,811
Expenditures:				
General government:				
Operating expenditures	75,000	75,000	-	75,000
Excess (deficiency) of revenues over (under) expenditures	(75,000)	(75,000)	1,811	76,811
Other financing sources (uses)				
Transfers in	75,000	75,000	75,000	-
Transfers out	(325,000)	(65,000)	(65,000)	-
Appropriation of fund balance	325,000	65,000	-	(65,000)
Total other financing sources (uses)	75,000	75,000	10,000	(65,000)
Net change in fund balance	\$ -	\$ -	\$ 11,811	\$ 11,811

**HALIFAX COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Restricted intergovernmental - wireless funding	\$ 318,425	\$ 318,425	\$ 196,707	\$ (121,718)
Investment earnings	-	-	14,991	14,991
Total revenues	<u>318,425</u>	<u>318,425</u>	<u>211,698</u>	<u>(106,727)</u>
EXPENDITURES				
Public safety	318,425	684,208	263,766	420,442
Total expenditures	<u>318,425</u>	<u>684,208</u>	<u>263,766</u>	<u>420,442</u>
Excess (deficiency) of revenues over (under) expenditures	-	(365,783)	(52,068)	313,715
OTHER FINANCING SOURCES				
Transfers in	-	187,473	187,473	-
Appropriated fund balance	-	178,310	-	(178,310)
Total other financing sources	<u>-</u>	<u>365,783</u>	<u>187,473</u>	<u>(178,310)</u>
Net change in fund balances	-	-	135,405	135,405
FUND BALANCE, beginning of year	<u>465,558</u>	<u>465,558</u>	<u>465,558</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 465,558</u>	<u>\$ 465,558</u>	<u>\$ 600,963</u>	<u>\$ 135,405</u>

**HALIFAX COUNTY, NORTH CAROLINA
OUR COMMUNITY HOSPITAL CENTER**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 3,525	\$ 3,525	\$ 1,367	\$ (2,158)
Total revenues	<u>3,525</u>	<u>3,525</u>	<u>1,367</u>	<u>(2,158)</u>
EXPENDITURES				
Human services	3,525	3,525	1,367	2,158
Total expenditures	<u>3,525</u>	<u>3,525</u>	<u>1,367</u>	<u>2,158</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA
WELDON SCHOOL DISTRICT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,332,500	\$ 1,344,930	\$ 1,344,930	\$ -
Sales taxes	427,300	468,198	468,198	-
Total revenues	<u>1,759,800</u>	<u>1,813,128</u>	<u>1,813,128</u>	<u>-</u>
EXPENDITURES				
Education	1,759,800	1,813,128	1,813,128	-
Total expenditures	<u>1,759,800</u>	<u>1,813,128</u>	<u>1,813,128</u>	<u>-</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA
LOCAL FIRE DISTRICTS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,590,500	\$ 1,651,926	\$ 1,645,145	\$ (6,781)
Other taxes and licenses	333,275	358,952	358,738	(214)
Total revenues	<u>1,923,775</u>	<u>2,010,878</u>	<u>2,003,883</u>	<u>(6,995)</u>
EXPENDITURES				
Public safety	<u>1,923,775</u>	<u>2,010,878</u>	<u>2,003,883</u>	<u>6,995</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA
ROANOKE RAPIDS SCHOOL GRADED DISTRICT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 2,071,000	\$ 2,108,614	\$ 2,094,186	\$ (14,428)
Total revenues	<u>2,071,000</u>	<u>2,108,614</u>	<u>2,094,186</u>	<u>(14,428)</u>
EXPENDITURES				
Education	2,071,000	2,108,614	2,094,186	14,428
Total expenditures	<u>2,071,000</u>	<u>2,108,614</u>	<u>2,094,186</u>	<u>14,428</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA
HALIFAX COUNTY SCHOOL DISTRICT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 2,110,000	\$ 2,159,227	\$ 2,159,227	\$ -
Other taxes and licenses	702,900	806,446	806,446	-
Total revenues	<u>2,812,900</u>	<u>2,965,673</u>	<u>2,965,673</u>	<u>-</u>
EXPENDITURES				
Education	2,812,900	2,965,673	2,965,673	-
Total expenditures	<u>2,812,900</u>	<u>2,965,673</u>	<u>2,965,673</u>	<u>-</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA
OPIOID SETTLEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ 112,125	\$ 266,234	\$ 154,109
Total revenues	<u>-</u>	<u>112,125</u>	<u>266,234</u>	<u>154,109</u>
EXPENDITURES				
Human services	-	112,125	-	112,125
Total expenditures	<u>-</u>	<u>112,125</u>	<u>-</u>	<u>112,125</u>
Net change in fund balances	-	-	266,234	266,234
FUND BALANCE, beginning of year	<u>112,125</u>	<u>112,125</u>	<u>112,125</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 112,125</u>	<u>\$ 112,125</u>	<u>\$ 378,359</u>	<u>\$ 266,234</u>

**HALIFAX COUNTY, NORTH CAROLINA
REPRESENTATIVE PAYEE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 350,000	\$ 350,000	\$ 257,411	\$ (92,589)
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>257,411</u>	<u>(92,589)</u>
EXPENDITURES				
Human services	350,000	350,000	223,729	126,271
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>223,729</u>	<u>126,271</u>
Net change in fund balances	-	-	33,682	33,682
FUND BALANCE, beginning of year	<u>(14,691)</u>	<u>(14,691)</u>	<u>(14,691)</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ (14,691)</u>	<u>\$ (14,691)</u>	<u>\$ 18,991</u>	<u>\$ 33,682</u>

**HALIFAX COUNTY, NORTH CAROLINA
PROPERTY AND SEIZURE**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 35,000	\$ 51,843	\$ 16,843
Total revenues	<u>-</u>	<u>35,000</u>	<u>51,843</u>	<u>16,843</u>
EXPENDITURES				
Public Safety	-	35,000	25,251	9,749
Total expenditures	<u>-</u>	<u>35,000</u>	<u>25,251</u>	<u>9,749</u>
Net change in fund balances	-	-	26,592	26,592
FUND BALANCE, beginning of year	<u>37,032</u>	<u>37,032</u>	<u>37,032</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 37,032</u>	<u>\$ 37,032</u>	<u>\$ 63,624</u>	<u>\$ 26,592</u>

**HALIFAX COUNTY, NORTH CAROLINA
CDBG NEIGHBORHOOD REVITALIZATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Economic and Physical Development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

**HALIFAX COUNTY, NORTH CAROLINA
HALIFAX COUNTY CAPITAL RESERVE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 31,154	\$ 31,154
Total revenues	-	-	31,154	31,154
EXPENDITURES				
Public safety	-	850,000	-	850,000
Total expenditures	-	850,000	-	850,000
Excess (deficiency) of revenues over (under) expenditures	-	(850,000)	31,154	881,154
OTHER FINANCING SOURCES				
Transfers in	-	850,000	850,000	-
Total other financing sources	-	850,000	850,000	-
Net change in fund balances	-	-	881,154	881,154
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 881,154	\$ 881,154

**HALIFAX COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND - INDUSTRIAL BUILDING**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2023**

	Project Authorization	Actual		Total
		Prior Years	Current Year	
REVENUES				
Restricted intergovernmental:				
NC Department of Commerce	\$ 500,000	\$ -	\$ -	\$ -
Golden Leaf	535,000	-	-	-
Other income	25,000	-	-	-
Investment	-	221	-	221
Miscellaneous	-	68,986	-	68,986
Total revenues	<u>1,060,000</u>	<u>69,207</u>	<u>-</u>	<u>69,207</u>
EXPENDITURES				
Economic development:				
Administration	50,000	-	-	-
Construction	1,857,000	-	-	-
Contingency	93,000	-	-	-
Debt service				
Principal	-	1,000,000	-	1,000,000
Interest and fiscal charges	60,000	151,149	-	151,149
Total expenditures	<u>2,060,000</u>	<u>1,151,149</u>	<u>-</u>	<u>1,151,149</u>
Deficiency of revenues under expenditures	<u>(1,000,000)</u>	<u>(1,081,942)</u>	<u>-</u>	<u>(1,081,942)</u>
OTHER FINANCING SOURCES				
Transfers in	-	124,659	-	124,659
Loan proceeds	1,000,000	1,000,000	-	1,000,000
Total other financing sources	<u>1,000,000</u>	<u>1,124,659</u>	<u>-</u>	<u>1,124,659</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 42,717</u>	<u>-</u>	<u>\$ 42,717</u>
FUND BALANCE, beginning of year			<u>42,717</u>	
FUND BALANCE, end of year			<u>\$ 42,717</u>	

**HALIFAX COUNTY, NORTH CAROLINA
HALIFAX CORPORATE PARK DEMOLITION PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 23,205	\$ -	\$ 23,205	\$ 23,205
Total revenues	<u>23,205</u>	<u>-</u>	<u>23,205</u>	<u>23,205</u>
EXPENDITURES				
Economic and physical development	32,800	-	30,000	30,000
Total expenditures	<u>32,800</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,595)</u>	<u>-</u>	<u>(6,795)</u>	<u>(6,795)</u>
OTHER FINANCING SOURCES				
Transfers in	9,595	7,735	-	7,735
Total other financing sources	<u>9,595</u>	<u>7,735</u>	<u>-</u>	<u>7,735</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 7,735</u>	<u>(6,795)</u>	<u>\$ 940</u>
FUND BALANCE, beginning of year			<u>7,735</u>	
FUND BALANCE, end of year			<u>\$ 940</u>	

**HALIFAX COUNTY, NORTH CAROLINA
OSMB PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 1,634,270	\$ 1,634,270	\$ -	\$ 1,634,270
Total revenues	<u>1,634,270</u>	<u>1,634,270</u>	<u>-</u>	<u>1,634,270</u>
EXPENDITURES				
Public safety	1,634,270	79,895	382,425	462,320
Total expenditures	<u>1,634,270</u>	<u>79,895</u>	<u>382,425</u>	<u>462,320</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,554,375	(382,425)	1,171,950
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,554,375</u>	<u>(382,425)</u>	<u>\$ 1,171,950</u>
FUND BALANCE, beginning of year			<u>1,554,375</u>	
FUND BALANCE, end of year			<u>\$ 1,171,950</u>	

**HALIFAX COUNTY, NORTH CAROLINA
ROSEBURG PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project Authorization	Actual		Total
	Prior Years	Current Year	Total	
REVENUES				
Restricted intergovernmental	\$ 758,346	\$ 152,879	\$ 500,457	\$ 653,336
Total revenues	<u>758,346</u>	<u>152,879</u>	<u>500,457</u>	<u>653,336</u>
EXPENDITURES				
Economic development:				
Construction	1,108,346	522,657	522,054	1,044,711
Total expenditures	<u>1,108,346</u>	<u>522,657</u>	<u>522,054</u>	<u>1,044,711</u>
Deficiency of revenues under expenditures	<u>(350,000)</u>	<u>(369,778)</u>	<u>(21,597)</u>	<u>(391,375)</u>
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	-	350,000
Total other financing sources	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (19,778)</u>	<u>(21,597)</u>	<u>\$ (41,375)</u>
FUND BALANCE, beginning of year			<u>(19,778)</u>	
FUND BALANCE, end of year			<u>\$ (41,375)</u>	

**HALIFAX COUNTY, NORTH CAROLINA
RPO PEANUT BELT CAPITAL PROJECT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 106,375	\$ 106,375	\$ 79,549	\$ (26,826)
Total revenues	<u>106,375</u>	<u>106,375</u>	<u>79,549</u>	<u>(26,826)</u>
EXPENDITURES				
Economic and physical development	132,969	132,969	99,436	33,533
Total expenditures	<u>132,969</u>	<u>132,969</u>	<u>99,436</u>	<u>33,533</u>
Deficiency of revenues under expenditures	<u>(26,594)</u>	<u>(26,594)</u>	<u>(19,887)</u>	<u>6,707</u>
OTHER FINANCING SOURCES				
Transfers in	26,594	26,594	-	(26,594)
Total other financing sources	<u>26,594</u>	<u>26,594</u>	<u>-</u>	<u>(26,594)</u>
Net change in fund balances	-	-	(19,887)	(19,887)
FUND BALANCE, beginning of year	<u>81,821</u>	<u>81,821</u>	<u>81,821</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 81,821</u>	<u>\$ 81,821</u>	<u>\$ 61,934</u>	<u>\$ (19,887)</u>

**HALIFAX COUNTY, NORTH CAROLINA
4H RECREATION PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 512,000	\$ 110,000	\$ -	\$ 110,000
Total revenues	<u>512,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
EXPENDITURES				
Culture and recreation				
Administration	10,000	9,500	-	9,500
Construction	512,000	-	-	-
Total expenditures	<u>522,000</u>	<u>9,500</u>	<u>-</u>	<u>9,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,000)</u>	<u>100,500</u>	<u>-</u>	<u>100,500</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	-	10,000
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 110,500</u>	<u>-</u>	<u>\$ 110,500</u>
FUND BALANCE, beginning of year			<u>110,500</u>	
FUND BALANCE, end of year			<u>\$ 110,500</u>	

**HALIFAX COUNTY, NORTH CAROLINA
ENFIELD INDUSTRIAL SITE READINESS PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 18,500	\$ -	\$ 18,500	\$ 18,500
Total revenues	<u>18,500</u>	<u>-</u>	<u>18,500</u>	<u>18,500</u>
EXPENDITURES				
Economic development:				
Construction	18,500	-	18,500	18,500
Total expenditures	<u>18,500</u>	<u>-</u>	<u>18,500</u>	<u>18,500</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ -</u>	

**HALIFAX COUNTY, NORTH CAROLINA
WHITE GOODS HANDLING FACILITY PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		Total
	Authorization	Prior Years	Current Year	
REVENUES				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Economic development:				
Construction	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues under expenditures	-	-	-	-
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ -</u>	

**HALIFAX COUNTY, NORTH CAROLINA
WELDON SCHOOL 6TH - 12TH CONSTRUCTION PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		Total
	Authorization	Prior Years	Current Year	
REVENUES				
Restricted intergovernmental	\$ 50,000,000	\$ -	\$ -	\$ -
Total revenues	<u>50,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Education				
Construction	52,510,399	-	747,594	747,594
Total expenditures	<u>52,510,399</u>	<u>-</u>	<u>747,594</u>	<u>747,594</u>
Deficiency of revenues under expenditures	<u>(2,510,399)</u>	<u>-</u>	<u>(747,594)</u>	<u>(747,594)</u>
OTHER FINANCING SOURCES				
Transfers in	2,510,399	-	2,510,399	2,510,399
Total other financing sources	<u>2,510,399</u>	<u>-</u>	<u>2,510,399</u>	<u>2,510,399</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,762,805	<u>\$ 1,762,805</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ 1,762,805</u>	

**HALIFAX COUNTY, NORTH CAROLINA
HALIFAX COUNTY SCHOOLS NEW PK-8 CONSTRUCTION PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 39,083,000	\$ -	\$ -	\$ -
Total revenues	<u>39,083,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Education				
Construction	41,140,000	-	448,150	448,150
Total expenditures	<u>41,140,000</u>	<u>-</u>	<u>448,150</u>	<u>448,150</u>
Deficiency of revenues under expenditures	<u>(2,057,000)</u>	<u>-</u>	<u>(448,150)</u>	<u>(448,150)</u>
OTHER FINANCING SOURCES				
Transfers in	2,057,000	-	2,057,000	2,057,000
Total other financing sources	<u>2,057,000</u>	<u>-</u>	<u>2,057,000</u>	<u>2,057,000</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,608,850	<u>\$ 1,608,850</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ 1,608,850</u>	

**HALIFAX COUNTY, NORTH CAROLINA
HALIFAX COUNTY COURT SERVICES BUILDING PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 450,000	\$ -	\$ 450,000	\$ 450,000
Total revenues	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>450,000</u>
EXPENDITURES				
Economic development:				
Construction	450,000	-	61,875	61,875
Total expenditures	<u>450,000</u>	<u>-</u>	<u>61,875</u>	<u>61,875</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	388,125	<u>\$ 388,125</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ 388,125</u>	

**HALIFAX COUNTY, NORTH CAROLINA
CHOANOKE AREA HOUSING CONSORTIUM PROJECT**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Project	Actual		Total
	Authorization	Prior Years	Current Year	
REVENUES				
Restricted intergovernmental	\$ 40,000	\$ -	\$ 26,500	\$ 26,500
Total revenues	40,000	-	26,500	26,500
EXPENDITURES				
Economic development:				
Construction	40,000	-	24,500	24,500
Total expenditures	40,000	-	24,500	24,500
Excess of revenues over expenditures	-	-	2,000	2,000
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	2,000	\$ 2,000
FUND BALANCE, beginning of year			-	
FUND BALANCE, end of year			\$ 2,000	

**HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Landfill fees	\$ 4,565,994	\$ 4,565,994	\$ 5,072,124	\$ 506,130
Other operating	-	-	1,020	1,020
Investment earnings	250	250	148,973	148,723
Total revenues	<u>4,566,244</u>	<u>4,566,244</u>	<u>5,222,117</u>	<u>655,873</u>
EXPENDITURES				
Landfill operations	3,036,798	2,895,277	2,902,955	(7,678)
Ash monofill cell	25,700	24,325	(7,523)	31,848
Transfer station	1,520,512	1,686,613	1,332,064	354,549
Debt service	-	-	(56,667)	56,667
Total expenditures	<u>4,583,010</u>	<u>4,606,215</u>	<u>4,170,829</u>	<u>435,386</u>
Excess (deficiency) of revenues over (under) expenditures	(16,766)	(39,971)	1,051,288	1,091,259
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	1,300	1,300
Transfers out	(66,000)	(90,224)	(90,224)	-
Transfers in	-	16,500	16,500	-
Appropriated fund balance	82,766	113,695	-	(113,695)
Total other financing sources (uses)	<u>16,766</u>	<u>39,971</u>	<u>(72,424)</u>	<u>(112,395)</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>978,864</u>	<u>\$ 978,864</u>
Adjustments to full accrual:				
Payments of debt service - principal			-	
Decrease in estimated postclosure costs			121,445	
Decrease in compensated absences			5,130	
Change in net pension liability and related deferred items			(6,257)	
Change in accrued interest			2	
Depreciation expense			(159,280)	
Purchase of capital assets			15,194	
Landfill Closure Capital Reserve Fund - net change in net position			3,024	
White Goods Handling Facility - net change in net position			(48,754)	
Electronic Management Fund - net change in net position			4,514	
Tire Disposal Fund - net change in net position			18,916	
Change in net position - GAAP Basis			<u>\$ 932,798</u>	

HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - LANDFILL CLOSURE CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 3,024	\$ 3,024
Total revenues	-	-	3,024	3,024
Net change in net position	\$ -	\$ -	\$ 3,024	\$ 3,024

HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - WHITE GOODS HANDLING FACILITY

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 8,552	\$ 8,552
Interest	-	-	4,361	4,361
Total revenues	-	-	12,913	12,913
EXPENDITURES				
Landfill operations	10,000	5,000	-	5,000
Debt service	60,000	60,000	56,667	3,333
Total expenditures	70,000	65,000	56,667	8,333
Deficiency of revenues under expenditures	(70,000)	(65,000)	(43,754)	21,246
OTHER FINANCING SOURCES				
Transfers out	-	(5,000)	(5,000)	-
Appropriated fund balance	70,000	70,000	-	(70,000)
Total other financing sources	70,000	65,000	(5,000)	(70,000)
Net change in net position	\$ -	\$ -	\$ (48,754)	\$ (48,754)

HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - ELECTRONIC MANAGEMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,102	\$ 102
Interest	-	-	912	912
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>2,014</u>	<u>1,014</u>
EXPENDITURES				
Landfill operations	21,000	18,500	-	18,500
Total expenditures	<u>21,000</u>	<u>18,500</u>	<u>-</u>	<u>18,500</u>
Deficiency of revenues under expenditures	<u>(20,000)</u>	<u>(17,500)</u>	<u>2,014</u>	<u>19,514</u>
OTHER FINANCING SOURCES				
Transfers out	-	(17,500)	(17,500)	-
Transfers in	20,000	20,000	20,000	-
Appropriated fund balance	-	15,000	-	(15,000)
Total other financing sources	<u>20,000</u>	<u>17,500</u>	<u>2,500</u>	<u>(15,000)</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,514</u>	<u>\$ 4,514</u>

**HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - TIRE DISPOSAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 78,000	\$ 78,000	\$ 94,631	\$ 16,631
Interest	-	-	71	71
Total revenues	<u>78,000</u>	<u>78,000</u>	<u>94,702</u>	<u>16,702</u>
EXPENDITURES				
Landfill operations	118,000	153,000	150,786	2,214
Total expenditures	<u>118,000</u>	<u>153,000</u>	<u>150,786</u>	<u>2,214</u>
Deficiency of revenues under expenditures	<u>(40,000)</u>	<u>(75,000)</u>	<u>(56,084)</u>	<u>18,916</u>
OTHER FINANCING SOURCES				
Transfers in	40,000	75,000	75,000	-
Total other financing sources	<u>40,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,916</u>	<u>\$ 18,916</u>

**HALIFAX COUNTY, NORTH CAROLINA
WATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 6,402,042	\$ 6,402,042	\$ 6,335,284	\$ (66,758)
Investment earnings	1,600	1,600	63,455	61,855
Miscellaneous	219,282	219,281	228,426	9,145
Total revenues	<u>6,622,924</u>	<u>6,622,923</u>	<u>6,627,165</u>	<u>4,242</u>
EXPENDITURES				
Administration	1,679,885	1,582,569	1,530,907	51,662
Operations	3,216,218	3,371,771	3,284,366	87,405
Repairs and maintenance	89,500	39,432	28,486	10,946
Capital outlays	47,000	40,570	-	40,570
Debt service and fiscal charges	1,590,321	1,590,321	1,590,319	2
Total expenditures	<u>6,622,924</u>	<u>6,624,663</u>	<u>6,434,078</u>	<u>190,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,740)</u>	<u>193,087</u>	<u>194,827</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(98,080)	(98,100)	(98,100)	-
Appropriation of fund balance	98,080	99,840	-	(99,840)
Total other financing sources (uses)	<u>-</u>	<u>1,740</u>	<u>(91,400)</u>	<u>(93,140)</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>101,687</u>	<u>\$ 101,687</u>
Adjustments to full accrual:				
Depreciation expense			(1,788,797)	
Change in accrued interest			6,553	
Principal payments on long-term debt			1,282,462	
Change in compensated absences			1,355	
Change in net pension liability and related deferred items			(56,172)	
Water Debt Service Fund - net change in fund balance			1,932	
Change in net position - GAAP Basis			<u>\$ (450,980)</u>	

**HALIFAX COUNTY, NORTH CAROLINA
WATER FUND - WATER DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 100	\$ 100	\$ 1,912	\$ 1,812
Total revenues	<u>100</u>	<u>100</u>	<u>1,912</u>	<u>1,812</u>
EXPENDITURES				
Administration	100	100	-	100
Debt service	98,080	98,080	98,080	-
Total expenditures	<u>98,180</u>	<u>98,180</u>	<u>98,080</u>	<u>100</u>
Deficiency of revenues under expenditures	<u>(98,080)</u>	<u>(98,080)</u>	<u>(96,168)</u>	<u>1,912</u>
OTHER FINANCING SOURCES				
Transfers in	98,080	98,080	98,100	20
Total other financing sources	<u>98,080</u>	<u>98,080</u>	<u>98,100</u>	<u>20</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,932</u>	<u>\$ 1,932</u>

INTERNAL SERVICE FUNDS

Health Insurance Fund – accounts for the cost of employee healthcare benefits.

Unemployment Insurance Fund – accounts for workers' compensation insurance.

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023**

	Health Insurance Fund	Unemployment Insurance Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,254,909	\$ 39,596	\$ 3,294,505
Receivables	-	-	-
Total assets	3,254,909	39,596	3,294,505
CURRENT LIABILITIES			
Accounts payables	158,073	-	158,073
Claims payable	473,383	-	473,383
Total liabilities	631,456	-	631,456
NET POSITION			
Unrestricted	2,623,453	39,596	2,663,049
Total net position	\$ 2,623,453	\$ 39,596	\$ 2,663,049

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Health Insurance Fund	Unemployment Insurance Fund	Totals
OPERATING REVENUES			
Other operating revenues	\$ 5,579,141	\$ 311,446	\$ 5,890,587
Total operating revenues	5,579,141	311,446	5,890,587
OPERATING EXPENSES			
Claims and payments to third party administrators	5,505,086	17,655	5,522,741
Total operating expenses	5,505,086	17,655	5,522,741
Operating income	74,055	293,791	367,846
NON-OPERATING REVENUES			
Investment earnings	111,651	5,885	117,536
Total non-operating revenue	111,651	5,885	117,536
OTHER FINANCING USES			
Transfers out	-	(325,000)	(325,000)
Total other financing uses	-	(325,000)	(325,000)
Change in net position	185,706	(25,324)	160,382
Net position, beginning of year	2,437,747	64,920	2,502,667
Net position, end of year	\$ 2,623,453	\$ 39,596	\$ 2,663,049

HALIFAX COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Health Insurance Fund	Unemployment Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,579,141	\$ 311,629	\$ 5,890,770
Payments to suppliers	(5,703,740)	(17,655)	(5,721,395)
Net cash provided by (used in) operating activities	<u>(124,599)</u>	<u>293,974</u>	<u>169,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	111,651	5,885	117,536
Net cash provided by investing activities	<u>111,651</u>	<u>5,885</u>	<u>117,536</u>
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES			
Transfers out	-	(325,000)	(325,000)
Net cash used in noncapital related financing activities	<u>-</u>	<u>(325,000)</u>	<u>(325,000)</u>
Net decrease in cash and cash equivalents	(12,948)	(25,141)	(38,089)
Cash and cash equivalents, beginning of year	<u>3,267,857</u>	<u>64,737</u>	<u>3,332,594</u>
Cash and cash equivalents, end of year	<u>\$ 3,254,909</u>	<u>\$ 39,596</u>	<u>\$ 3,294,505</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 74,055	\$ 293,791	\$ 367,846
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in accounts receivable	-	183	183
Decrease in accounts payable	(101,177)	-	(101,177)
Decrease in claims payable	(97,477)	-	(97,477)
Net cash provided by (used in) operating activities	<u>\$ (124,599)</u>	<u>\$ 293,974</u>	<u>\$ 169,375</u>

**HALIFAX COUNTY, NORTH CAROLINA
HEALTH INSURANCE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 6,000,000	\$ 6,000,000	\$ 5,579,141	\$ (420,859)
Investment earnings	-	-	111,651	111,651
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,690,792</u>	<u>(309,208)</u>
EXPENDITURES				
Operations	6,000,000	6,000,000	5,602,563	397,437
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,602,563</u>	<u>397,437</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	88,229	<u>\$ 88,229</u>
Adjustments to full accrual:				
Increase in claims payable			97,477	
Change in net position - GAAP Basis			<u>\$ 185,706</u>	

**HALIFAX COUNTY, NORTH CAROLINA
UNEMPLOYMENT INSURANCE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 307,576	\$ 307,576	\$ 311,446	\$ 3,870
Investment earnings	-	-	5,885	5,885
Total revenues	<u>307,576</u>	<u>307,576</u>	<u>317,331</u>	<u>9,755</u>
EXPENDITURES				
Claims paid	25,000	25,000	17,655	7,345
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>17,655</u>	<u>7,345</u>
Excess of revenues over expenditures	<u>282,576</u>	<u>282,576</u>	<u>299,676</u>	<u>17,100</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(325,000)	(325,000)	(325,000)	-
Appropriated net position	42,424	42,424	-	(42,424)
Total other financing (uses)	<u>(282,576)</u>	<u>(282,576)</u>	<u>(325,000)</u>	<u>(42,424)</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,324)</u>	<u>\$ (25,324)</u>

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2021-2022	\$ -	\$ 31,986,256	\$ 31,507,786	\$ 478,470
2020-2021	558,225	-	262,977	295,248
2019-2020	304,576	-	77,183	227,393
2018-2019	241,613	-	38,623	202,990
2017-2018	191,970	-	25,328	166,642
2016-2017	162,183	-	14,820	147,363
2015-2016	133,407	-	11,369	122,038
2014-2015	113,909	-	9,800	104,109
2013-2014	124,088	-	9,468	114,620
2012-2013	132,694	-	9,894	122,800
2011-2012	133,114	-	133,114	-
	<u>\$ 2,095,779</u>	<u>\$ 31,986,256</u>	<u>\$ 32,100,362</u>	<u>1,981,673</u>
				Less: allowance for uncollectible accounts - General Fund
				<u>(588,413)</u>
				Ad valorem taxes receivable - net
				<u>\$ 1,393,260</u>
				<u>Reconciliation to revenues:</u>
				Ad valorem taxes - General Fund
				\$ 31,922,162
				Reconciling items:
				Interest and penalties
				(202,491)
				Amounts written off for tax years per statute of limitations
				133,114
				Releases
				(27,055)
				Refunds
				(27,653)
				Write offs/discounts
				282,733
				Tax bill adjustments
				(8,535)
				Discoveries and rollback
				132,829
				Miscellaneous adjustments
				(104,742)
				<u>Total collections and credits</u>
				<u>\$ 32,100,362</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY JUNE 30, 2023

	County-wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 4,205,851,447	0.760	\$ 31,964,471	\$ 28,294,235	\$ 3,670,236
Penalties	-		25,388	25,388	-
Total	<u>4,205,851,447</u>		<u>31,989,859</u>	<u>28,319,623</u>	<u>3,670,236</u>
Discoveries	<u>23,532,500</u>	0.760	<u>178,847</u>	<u>178,847</u>	<u>-</u>
Late list penalties			25,312	25,312	-
Releases	<u>(35,382)</u>	0.760	<u>(26,890)</u>	<u>(26,890)</u>	<u>-</u>
Total property valuation	<u>\$ 4,205,816,065</u>				
Net levy			32,167,128	28,496,892	3,670,236
Uncollected taxes at June 30, 2023			<u>(478,470)</u>	<u>(478,470)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 31,688,658</u>	<u>\$ 28,018,422</u>	<u>\$ 3,670,236</u>
Current levy collection percentage			<u>98.51%</u>	<u>98.32%</u>	<u>100.00%</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2023

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio		98%
Real property	\$	2,956,128,954
Personal property		986,608,632
Public service companies		263,113,861
Total assessed valuation	\$	<u>4,205,851,447</u>
Tax rate per \$100	\$	<u>0.76</u>
Levy (including discoveries, releases and abatements)	\$	<u>31,964,471</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	\$	1,333,457
Fire protection districts		1,358,230
Roanoke Rapids schools		<u>1,769,635</u>
Total	\$	<u>4,461,322</u>

STATISTICAL SECTION

This part of Halifax County’s Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

	<u>Page</u>
Financial Trends	150

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity	155
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These schedules contain information to help the reader assess the County’s most significant local revenue source, property tax.

Debt Capacity	159
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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.

Demographic and Economic Information	163
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.

Operating Information	166
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These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

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

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (**)</u>	<u>2017 (**)</u>	<u>2016 (*)</u>	<u>2015 (*)</u>	<u>2014</u>
Governmental activities										
Net investment in capital assets	\$ 15,998,770	\$ 15,872,923	\$ 15,410,841	\$ 14,500,906	\$ 19,974,793	\$ 17,187,742	\$ 21,388,949	\$ 17,831,005	\$ 18,447,019	\$ 18,794,168
Restricted	28,392,863	26,492,533	21,412,545	21,170,154	18,614,020	24,454,078	22,911,749	21,136,844	15,462,261	13,537,120
Unrestricted	3,760,981	(5,072,449)	(2,565,034)	(12,110,560)	(19,918,605)	(27,387,184)	(26,964,341)	(8,188,316)	(3,431,783)	(1,637,019)
Total governmental activities net assets	<u>\$ 48,152,614</u>	<u>\$ 37,293,007</u>	<u>\$ 34,258,352</u>	<u>\$ 23,560,500</u>	<u>\$ 18,670,208</u>	<u>\$ 14,254,636</u>	<u>\$ 17,336,357</u>	<u>\$ 30,779,533</u>	<u>\$ 30,477,497</u>	<u>\$ 30,694,269</u>
Business-type activities										
Net investment in capital assets	\$ 9,856,429	\$ 10,450,183	\$ 10,811,855	\$ 11,204,510	\$ 11,728,621	\$ 11,290,268	\$ 11,824,479	\$ 12,055,155	\$ 12,077,355	\$ 11,956,839
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,423,587	3,348,015	3,233,343	2,657,055	2,128,364	7,821,206	7,541,406	5,176,388	4,801,751	5,260,162
Total business-type activities net assets	<u>\$ 14,280,016</u>	<u>\$ 13,798,198</u>	<u>\$ 14,045,198</u>	<u>\$ 13,861,565</u>	<u>\$ 13,856,985</u>	<u>\$ 19,111,474</u>	<u>\$ 19,365,885</u>	<u>\$ 17,231,543</u>	<u>\$ 16,879,106</u>	<u>\$ 17,217,001</u>
Primary government										
Net investment in capital assets	\$ 25,855,199	\$ 26,323,106	\$ 26,222,696	\$ 25,705,416	\$ 31,703,414	\$ 28,478,010	\$ 33,213,428	\$ 29,886,160	\$ 30,524,374	\$ 30,751,007
Restricted	28,392,863	26,492,533	21,412,545	21,170,154	18,614,020	24,454,078	22,911,749	21,136,844	15,462,261	13,537,120
Unrestricted	8,184,568	(1,724,434)	668,309	(9,453,505)	(17,790,241)	(19,565,978)	(19,422,935)	(3,011,928)	1,369,968	3,623,143
Total primary government net assets	<u>\$ 62,432,630</u>	<u>\$ 51,091,205</u>	<u>\$ 48,303,550</u>	<u>\$ 37,422,065</u>	<u>\$ 32,527,193</u>	<u>\$ 33,366,110</u>	<u>\$ 36,702,242</u>	<u>\$ 48,011,076</u>	<u>\$ 47,356,603</u>	<u>\$ 47,911,270</u>

*-For the fiscal year ended June 30, 2015, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 which required the County to report its share of the next pension liability for the North Carolina Local Governmental Employees' Retirement System (LGERS). The County's share of the NPL for LGERS grew in 2016 as well, leading to the increase in the deficit in unrestricted net position.

**-For the fiscal year ended June 30, 2018 (with a restatement to the prior year end balances for 2017), the County implemented the provisions of GASB Statement No. 75 which required the County to report the total other post-employment benefits (OPEB) liability related to its OPEB plan. This liability significantly increased the deficit in unrestricted net position.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 9,856,412	\$ 12,414,887	\$ 10,302,771	\$ 8,879,980	\$ 8,245,946	\$ 8,473,124	\$ 11,824,803	\$ 11,900,686	\$ 11,265,630	\$ 11,521,305
Public safety	23,740,255	20,412,660	17,765,633	18,680,287	18,654,857	17,137,119	15,223,699	14,740,869	14,197,958	13,761,938
Economic & physical development	3,931,779	3,995,680	1,036,444	2,293,571	1,685,582	1,522,518	5,070,877	2,479,719	2,936,494	7,185,719
Human Services	21,707,585	21,852,551	23,883,268	18,882,522	20,636,307	20,581,114	20,258,952	19,782,077	19,339,216	20,392,320
Cultural & Recreational	836,462	855,036	738,820	721,052	845,917	686,028	506,484	579,074	540,741	651,086
Education	16,599,521	15,194,260	14,990,448	14,882,026	15,775,104	21,888,553	22,071,399	13,339,997	11,437,522	11,257,890
Interest & fiscal charges	507,273	566,697	793,437	776,980	802,858	882,908	1,012,473	1,119,155	805,349	1,042,433
Total governmental activities expenses	\$ 77,179,287	\$ 75,291,771	\$ 69,510,821	\$ 65,116,418	\$ 66,646,571	\$ 71,171,364	\$ 75,968,687	\$ 63,941,577	\$ 60,522,910	\$ 65,812,691
Business-type activities:										
Water & Sewer	\$ 7,086,756	\$ 6,784,064	\$ 6,557,788	\$ 6,619,690	\$ 6,251,538	\$ 6,185,739	\$ 5,982,662	\$ 6,213,780	\$ 6,011,145	\$ 5,759,890
Landfill/Solid Waste	4,402,048	4,389,898	3,863,967	3,826,290	9,708,245	4,532,991	3,700,588	4,568,587	3,802,629	3,982,453
Total business-type activities	\$ 11,488,804	\$ 11,173,962	\$ 10,421,755	\$ 10,445,980	\$ 15,959,783	\$ 10,718,730	\$ 9,683,250	\$ 10,782,367	\$ 9,813,774	\$ 9,742,343
Total primary governmental expenses	\$ 88,668,091	\$ 86,465,733	\$ 79,932,576	\$ 75,562,398	\$ 82,606,354	\$ 81,890,094	\$ 85,651,937	\$ 74,723,944	\$ 70,336,684	\$ 75,555,034
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,204,528	\$ 4,614,757	\$ 8,536,840	\$ 4,255,132	\$ 3,756,464	\$ 3,259,332	\$ 11,687,133	\$ 3,155,714	\$ 2,389,281	\$ 2,400,963
Public Safety	2,588,327	2,214,222	2,157,122	2,518,036	2,547,128	2,167,892	3,533,202	3,206,930	3,187,812	3,271,235
Economic and physical development	210,621	221,577	293,758	242,267	268,157	272,355	-	80,544	-	-
Human Services	280,434	219,261	342,241	135,059	48,857	39,560	-	-	124,808	148,547
Cultural and recreation	28,580	21,870	16,106	33,153	25,011	11,408	20,816	26,945	24,904	25,439
Operating grants and contributions	25,047,820	17,536,509	18,045,577	15,558,129	17,520,859	16,755,893	17,721,133	17,909,200	17,490,294	16,704,854
Capital grants and contributions	-	1,634,270	200,000	400,000	267,649	903,585	4,101,133	1,843,555	1,340,173	1,349,798
Total governmental activities program revenues	\$ 32,360,310	\$ 26,462,466	\$ 29,591,644	\$ 23,141,776	\$ 24,434,125	\$ 23,410,025	\$ 37,063,417	\$ 26,222,888	\$ 24,557,272	\$ 23,900,836
Business-type activities:										
Charges of services:										
Water and sewer	\$ 6,563,710	\$ 6,478,116	\$ 6,505,763	\$ 6,250,357	\$ 6,038,316	\$ 6,219,256	\$ 6,055,217	\$ 5,638,615	\$ 5,233,713	\$ 4,987,948
Solid waste	5,177,429	4,442,575	4,104,944	4,101,478	3,986,176	4,101,502	4,109,935	5,009,713	3,727,923	3,814,991
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	578,216	117,952	128,416	404,482	553,201	642,755
Total business-type activities program revenues	\$ 11,741,139	\$ 10,920,691	\$ 10,610,707	\$ 10,351,835	\$ 10,602,708	\$ 10,438,710	\$ 10,293,568	\$ 11,052,810	\$ 9,514,837	\$ 9,445,694
Total primary governmental program revenues	\$ 44,101,449	\$ 37,383,157	\$ 40,202,351	\$ 33,493,611	\$ 35,036,833	\$ 33,848,735	\$ 47,356,985	\$ 37,275,698	\$ 34,072,109	\$ 33,346,530
Net (Expense)/Revenue										
Governmental activities	\$ (44,818,977)	\$ (48,829,305)	\$ (39,919,177)	\$ (41,974,642)	\$ (42,212,446)	\$ (47,761,339)	\$ (38,905,270)	\$ (37,718,688)	\$ (35,965,638)	\$ (41,911,855)
Business-type activities	252,335	(253,271)	188,952	(94,145)	(5,357,075)	(280,020)	610,318	270,443	(298,937)	(296,649)
Total primary government net expense	\$ (44,566,642)	\$ (49,082,576)	\$ (39,730,225)	\$ (42,068,787)	\$ (47,569,521)	\$ (48,041,359)	\$ (38,294,952)	\$ (37,448,245)	\$ (36,264,575)	\$ (42,208,504)

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

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 39,071,997	\$ 38,159,463	\$ 37,604,253	\$ 35,755,677	\$ 34,774,157	\$ 34,488,840	\$ 31,809,653	\$ 29,927,726	\$ 29,566,702	\$ 29,938,070
Local option sales tax	13,738,387	12,829,655	12,037,473	10,277,087	10,520,348	9,677,612	-	7,961,352	8,161,488	7,211,131
Other taxes	871,892	808,691	783,461	683,992	702,002	285,520	-	93,902	99,262	118,989
Interest earned on investments	1,995,084	65,896	180,995	209,127	679,054	203,391	82,528	56,252	37,586	67,661
Miscellaneous	-	-	-	-	-	-	-	-	441,373	1,567,406
Transfers	1,224	255	10,847	(60,949)	(47,543)	24,255	(2,443,123)	(49,541)	-	-
Total governmental activities	<u>\$ 55,678,584</u>	<u>\$ 51,863,960</u>	<u>\$ 50,617,029</u>	<u>\$ 46,864,934</u>	<u>\$ 46,628,018</u>	<u>\$ 44,679,618</u>	<u>\$ 29,449,058</u>	<u>\$ 37,989,691</u>	<u>\$ 38,306,411</u>	<u>\$ 38,903,257</u>
Business-type activities:										
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Privilege Tax	-	-	-	-	-	-	-	70,542	67,973	74,366
Interest	222,707	6,526	3,853	37,776	55,043	49,564	16,275	11,911	3,357	5,556
Miscellaneous	8,000	-	1,675	-	-	-	-	-	-	-
Transfers	(1,224)	(255)	(10,847)	60,949	47,543	(24,255)	-	(459)	-	-
Total business-type activities	<u>\$ 229,483</u>	<u>\$ 6,271</u>	<u>\$ (5,319)</u>	<u>\$ 98,725</u>	<u>\$ 102,586</u>	<u>\$ 25,309</u>	<u>\$ 16,275</u>	<u>\$ 81,994</u>	<u>\$ 71,330</u>	<u>\$ 79,922</u>
Total primary government	<u>\$ 55,908,067</u>	<u>\$ 51,870,231</u>	<u>\$ 50,611,710</u>	<u>\$ 46,963,659</u>	<u>\$ 46,730,604</u>	<u>\$ 44,704,927</u>	<u>\$ 29,465,333</u>	<u>\$ 38,071,685</u>	<u>\$ 38,377,741</u>	<u>\$ 38,983,179</u>
Change in Net Position										
Governmental activities	\$ 10,859,607	\$ 3,034,655	\$ 10,697,852	\$ 4,890,292	\$ 4,415,572	\$ (3,081,721)	\$ (7,013,089)	\$ 271,003	\$ 2,340,773	\$ (3,008,598)
Business-type activities	481,818	(247,000)	183,633	4,580	(5,254,489)	(254,711)	431,690	352,437	(227,607)	(216,727)
Total primary government	<u>\$ 11,341,425</u>	<u>\$ 2,787,655</u>	<u>\$ 10,881,485</u>	<u>\$ 4,894,872</u>	<u>\$ (838,917)</u>	<u>\$ (3,336,432)</u>	<u>\$ (6,581,399)</u>	<u>\$ 623,440</u>	<u>\$ 2,113,166</u>	<u>\$ (3,225,325)</u>

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

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017-Restated</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,913	\$ 218,413	\$ 372,305	\$ 34,500	\$ 193,435	\$ 108,076	\$ 47,097
Restricted	22,703,465	25,182,257	21,772,508	23,295,315	19,989,817	25,663,240	19,635,551	19,488,758	13,617,754	12,649,829
Committed	-	-	-	-	-	-	-	-	-	888,375
Assigned	5,152,619	4,800,905	3,430,278	2,788,796	1,275,502	1,554,604	3,679,242	4,007,178	4,658,251	1,882,934
Unassigned	29,920,196	21,348,353	24,435,392	13,603,069	13,701,295	4,253,587	5,453,780	2,271,623	8,329,303	11,643,265
Total General Fund	<u>\$ 57,776,280</u>	<u>\$ 51,331,515</u>	<u>\$ 49,638,178</u>	<u>\$ 39,690,093</u>	<u>\$ 35,185,027</u>	<u>\$ 31,843,736</u>	<u>\$ 28,803,073</u>	<u>\$ 25,960,994</u>	<u>\$ 26,713,384</u>	<u>\$ 27,111,500</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ 203	\$ -	\$ -	\$ -	\$ -
Restricted	7,050,195	2,369,146	540,575	334,726	813,052	712,008	11,402,505	1,009,628	1,844,507	951,229
Committed	-	-	-	-	-	-	27,396	39,849	145,595	629,102
Assigned	42,717	42,717	41,391	2,113,658	1,254,347	1,858,222	-	-	-	-
Unassigned	(41,375)	(34,469)	-	-	-	-	(1,994,684)	(343,430)	(736,967)	(1,158,743)
Total all other governmental funds	<u>\$ 7,051,537</u>	<u>\$ 2,377,394</u>	<u>\$ 581,966</u>	<u>\$ 2,448,584</u>	<u>\$ 2,067,599</u>	<u>\$ 2,570,433</u>	<u>\$ 9,435,217</u>	<u>\$ 706,047</u>	<u>\$ 1,253,135</u>	<u>\$ 421,588</u>

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

Revenues	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ad valorem taxes	\$ 39,167,017	\$ 38,124,587	\$ 37,802,839	\$ 35,504,070	\$ 34,810,631	\$ 34,326,757	\$ 32,429,935	\$ 29,288,453	\$ 24,785,670	\$ 25,467,769
Other taxes and licenses	14,610,279	13,638,346	12,820,934	10,961,079	11,222,350	9,963,132	8,770,372	8,055,164	7,716,600	6,857,795
Unrestricted intergovernmental revenues	-	-	-	-	-	-	347,331	361,425	385,800	347,751
Restricted intergovernmental revenues	25,047,820	19,282,904	18,245,822	15,957,884	17,788,508	18,266,441	21,608,486	19,902,329	17,486,635	16,450,460
Permits and fees	2,387,236	2,505,620	1,889,148	2,108,871	1,956,142	1,458,043	1,359,789	1,358,846	1,324,064	1,397,617
Sales and services	3,877,681	3,671,451	3,502,213	3,640,835	3,851,980	3,825,133	4,364,500	3,877,354	3,970,595	4,043,476
Investment earnings	1,995,084	65,896	180,995	209,127	679,054	203,391	78,379	54,342	29,823	56,469
Miscellaneous	1,047,573	1,002,491	5,954,706	1,433,941	837,495	467,371	488,289	598,374	354,324	329,311
Total revenues	\$ 88,132,690	\$ 78,291,295	\$ 80,396,657	\$ 69,815,807	\$ 71,146,160	\$ 68,510,268	\$ 69,447,081	\$ 63,496,287	\$ 56,053,511	\$ 54,950,648
Expenditures										
General government	\$ 10,160,989	\$ 9,905,167	\$ 9,966,426	\$ 8,643,622	8,475,277	\$ 7,999,497	\$ 7,496,153	\$ 7,161,747	\$ 7,870,394	\$ 8,032,471
Public safety	22,524,149	21,593,076	17,734,407	18,306,592	18,609,490	17,143,327	16,890,493	16,200,768	13,265,922	13,146,632
Economic and physical development	3,916,075	3,845,529	1,184,684	1,904,690	1,425,601	1,607,161	5,014,213	2,353,686	975,352	866,364
Human services	20,555,249	21,510,975	21,472,704	18,526,974	20,290,006	20,294,606	22,214,380	21,756,228	21,386,334	21,485,386
Cultural and recreational	853,778	807,662	718,426	663,084	788,615	676,777	604,985	655,299	631,639	711,853
Education	16,599,521	15,194,260	14,990,448	14,882,026	15,775,104	21,876,806	22,169,505	13,339,997	8,068,342	7,837,920
Intergovernmental	-	-	508,900	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	171,495	-	-	-	-
Debt service										
Principal	2,759,145	2,697,567	5,308,444	2,686,078	2,705,597	2,715,667	2,871,519	1,605,812	1,664,029	1,919,745
Interest	512,787	575,715	799,568	783,154	809,072	889,271	1,147,364	802,052	821,056	854,222
Total expenditures	\$ 77,881,693	\$ 76,129,951	\$ 72,684,007	\$ 66,396,220	\$ 68,878,762	\$ 73,374,607	\$ 78,408,612	\$ 63,875,589	\$ 54,683,068	\$ 54,854,593
Excess (deficiency) of revenues over (under) expenditures	\$ 10,250,997	\$ 2,161,344	\$ 7,712,650	\$ 3,419,587	\$ 2,267,398	\$ (4,864,339)	\$ (8,961,531)	\$ (379,302)	\$ 1,370,443	\$ 96,055
Other financing sources (uses)										
Intrafund transfers in (out)										
Inception of Lease	\$ 475,387	\$ 1,002,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in-	13,859,308	688,735	1,817,914	585,000	1,020,896	282,706	1,316,239	301,089	421,791	1,292,222
Transfers out-	(13,533,084)	(363,480)	(1,482,067)	(270,949)	(692,837)	(11,951)	(1,069,739)	(954,130)	(2,190,350)	(4,474,827)
Refunding issued	-	-	-	-	-	-	12,005,000	-	-	-
Payment to escrow agent	-	-	-	-	-	-	(11,899,646)	-	-	-
Proceeds from sale of capital assets	66,300	-	32,970	-	-	371,757	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-	-	258,000	18,036,030	-	450,000
Advance refunding payment	-	-	-	-	-	-	-	-	-	-
Operating transfers (to) from component unit	-	-	-	-	-	-	-	-	-	-
Origination fees	-	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	243,000	-	-	-	-	-
Proceeds of Capital Lease	-	-	-	-	-	397,706	-	-	-	-
Issuance of installment note	-	-	-	1,152,413	-	-	-	-	-	-
Total other financing sources (uses)	\$ 867,911	\$ 1,327,421	\$ 368,817	\$ 1,466,464	\$ 571,059	\$ 1,040,218	\$ 609,854	\$ 17,382,989	\$ (1,768,559)	\$ (2,732,605)
Net change in fund balances	\$ 11,118,908	\$ 3,488,765	\$ 8,081,467	\$ 4,886,051	\$ 2,838,457	\$ (3,824,121)	\$ (8,351,677)	\$ 17,003,687	\$ (398,116)	\$ (2,636,550)
Debt services as a percentage of noncapital expenditures	4.28%	4.44%	8.40%	5.23%	5.10%	4.99%	5.22%	3.77%	4.53%	5.19%

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			
2023	\$ 2,956,128,954	\$ 263,113,861	\$ 986,608,632	\$ 4,205,851,447	\$ 0.7600
2022	2,900,096,781	258,126,649	967,907,884	4,126,131,314	0.7600
2021	2,836,327,136	252,450,754	946,624,752	4,035,402,642	0.7600
2020	2,897,671,830	257,910,813	967,098,555	4,122,681,198	0.7700
2019	2,598,424,265	231,275,919	867,224,621	3,696,924,805	0.7700
2018	2,506,154,072	223,063,298	836,429,425	3,565,646,795	0.7800
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

Source: Halifax County Tax Department

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County Direct Rates										
Halifax	0.7600	0.7600	0.7600	0.7600	0.7700	0.7700	0.7800	0.7800	0.7300	0.6800
Components of Direct Rates										
Public Safety	0.1406	0.1406	0.1406	0.140600	0.142450	0.142450	0.143832	0.143832	0.134612	0.125392
Education	0.0224	0.0224	0.0224	0.022420	0.225610	0.225610	0.228852	0.228852	0.214182	0.199512
Operational Services	0.3952	0.3952	0.3952	0.395200	0.401940	0.401940	0.407316	0.407316	0.381206	0.355096
City Rates										
Roanoke Rapids	0.6610	0.6610	0.6610	0.6510	0.6510	0.6510	0.6510	0.6510	0.6510	0.6240
Enfield	0.9270	0.9270	0.9270	0.9270	0.9270	0.8380	0.8380	0.8380	0.8380	0.7500
Halifax	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6000
Scotland Neck	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7000
Hobgood	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.6500	0.6500	0.6500	0.5700
Littleton	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.7000
Weldon	0.7200	0.7200	0.7200	0.7200	0.7700	0.7700	0.7700	0.7700	0.7700	0.6600
School District										
Weldon	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.1818	0.1700
Roanoke Rapids	0.2150	0.2150	0.2150	0.2150	0.2250	0.2250	0.2250	0.2250	0.2250	0.2100
Halifax County Schools	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	N/A	N/A	N/A
Fire Districts										
Rheasville	0.0900	0.0663	0.0663	0.0663	0.0705	0.0705	0.0705	0.0705	0.0705	0.0700
Davie	0.0905	0.0905	0.0905	0.0905	0.0945	0.0945	0.0945	0.0945	0.0945	0.0900
Darlington	0.0836	0.0836	0.0836	0.0836	0.0890	0.0890	0.0890	0.0890	0.0890	0.0900
Littleton	0.0515	0.0515	0.0515	0.0515	0.0534	0.0534	0.0534	0.0534	0.0534	0.0460
Arcola	0.0628	0.0628	0.0628	0.0628	0.0677	0.0677	0.0677	0.0677	0.0677	0.0700
Enfield	0.0846	0.0846	0.0846	0.0846	0.0890	0.0690	0.0690	0.0690	0.0690	0.0700
Halifax	0.0800	0.0800	0.0800	0.0716	0.0728	0.0728	0.0728	0.0728	0.0728	0.0726
Hobgood	0.0650	0.0650	0.0650	0.0650	0.0685	0.0685	0.0685	0.0685	0.0685	0.0719
Scotland Neck	0.0700	0.0700	0.0700	0.0655	0.0690	0.0690	0.0690	0.0690	0.0690	0.0700
Weldon	0.0900	0.0900	0.0900	0.0857	0.0894	0.0894	0.0894	0.0894	0.0894	0.0845
Tillery	0.0447	0.0447	0.0447	0.0447	0.0475	0.0475	0.0475	0.0475	0.0475	0.0500
Hospital District										
Our Community Hospital	N/A	N/A	N/A	N/A	N/A	N/A	0.1244	0.1244	0.1244	0.1200

Source: State Department of Revenue, Bureau of Property Tax

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

<u>Taxpayer</u>	<u>2023</u>			<u>Taxpayer</u>	<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Dominion-Virginia Power	\$ 266,632,100	1	6.34%	Kapstone Kraft Paper Corporation	\$ 144,579,330	1	3.87%
Westrock Kraft Paper LLC	168,154,547	2	4.00%	Westmoreland LG&E Partners	109,108,213	2	2.92%
Binderholz Enfield LLC	107,437,720	3	2.55%	Dominion-Virginia Power	100,835,940	3	2.70%
Reser's Fine Food Inc.	54,361,324	4	1.29%	Reser's Fine Foods, Inc.	33,614,740	4	0.90%
Kennametal Inc.	32,727,403	5	0.78%	CSX Transportation Inc	25,318,266	5	0.68%
Carolina Chips	30,936,320	6	0.74%	Halifax EMC	18,617,550	6	0.50%
CSX Transportation Inc.	26,437,823	7	0.63%	Kennametal Inc.	17,933,941	7	0.48%
Halifax EMC	21,203,050	8	0.50%	Carolina Tel & Tel Company	17,686,908	8	0.47%
Airboss Rubber Compounding Inc	16,538,943	9	0.39%	Safelite Glass Corp	14,532,257	9	0.39%
M J Price Construction Co Inc	16,224,856	10	0.39%	Rae-Me North Carolina LLC	13,462,313	10	0.36%
Totals	\$ 740,654,086		17.61%		\$ 495,689,458		13.27%

Source: State Department of Revenue, Bureau of Property Tax

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

Fiscal Year	Taxes Levied for the Fiscal Year			Total	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	<u>(Original Levy)</u>	<u>Adjustments</u>	<u>Adjusted Levy</u>		<u>Amount</u>	<u>Percentage of Original Levy</u>		<u>Amount</u>	<u>Percentage of Adjusted Levy</u>
2023	\$ 31,989,859	\$ 177,269	\$ 32,167,128	\$ 31,688,658	98.51%	\$ -	\$ 31,688,658	98.51%	
2022	31,437,192	(52,238)	31,384,954	30,826,729	98.22%	-	30,826,729	98.22%	
2021	30,764,197	144,753	30,908,950	30,381,910	98.29%	-	30,381,910	98.29%	
2020	28,921,642	270,957	29,192,599	28,516,648	97.68%	-	28,516,648	97.68%	
2019	28,512,186	(110,884)	28,401,302	27,873,778	98.14%	196,985	28,070,763	98.84%	
2018	27,844,345	(126,947)	27,717,398	27,173,640	98.04%	307,572	27,481,212	99.15%	
2017	28,106,071	(376,183)	27,729,888	27,171,621	97.99%	376,985	27,548,606	99.35%	
2016	25,417,962	(77,587)	25,340,375	24,322,725	95.98%	865,906	25,188,631	99.40%	
2015	24,883,851	3,457	24,887,308	24,360,629	97.88%	369,485	24,730,114	99.37%	
2014	25,453,912	(30,574)	25,423,338	24,890,205	97.90%	373,324	25,263,529	99.37%	

Source: Halifax County Tax Department

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2023	\$ 12,110,237	\$ -	\$ 12,110,237	1.1%	0.29%	\$ 253.10
2022	13,221,953	-	13,221,953	1.3%	0.32%	273.91
2021	14,423,913	-	14,423,913	1.4%	0.36%	296.65
2020	15,548,715	-	15,548,715	1.5%	0.38%	312.05
2019	16,698,520	-	16,698,520	1.6%	0.45%	330.18
2018	17,823,825	-	17,823,825	1.7%	0.50%	347.38
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

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, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	<u>\$ 16,854</u>	100%	<u>\$ 16,854</u>

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 County 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	State Revolving Loans			
2023	\$ 1,182	\$ 3,524	\$ -	\$ -	\$ 2,489	\$ 9,653	\$ 12,110	\$ 2,252	\$ 1,264	\$ 32,474	3.01%	678.69
2022	1,012	4,777	-	-	2,489	10,860	13,222	2,304	1,440	36,104	3.41%	742.54
2021	84	1,155	5,939	-	2,489	12,067	14,424	2,355	1,445	39,958	3.76%	821.81
2020	242	1,328	7,201	1,642	2,489	13,273	15,549	2,405	1,564	45,693	4.36%	917.01
2019	400	212	8,485	1,642	2,489	14,480	16,699	2,454	1,683	48,544	4.70%	959.86
2018	314	249	9,790	1,642	2,489	15,687	17,824	2,502	1,801	52,298	5.06%	1,019.26
2017	-	91	11,115	1,642	1,647	16,893	18,033	2,549	2,742	54,712	5.36%	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

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Value of Property	\$ 4,205,851	\$ 4,126,131	\$ 4,035,403	\$ 4,122,681	\$ 3,696,686	\$ 3,565,647	\$ 3,539,447	\$ 3,466,281	\$ 3,655,383	\$ 3,735,340
Debt limit, 8%of Assessed Value (Statutory Limitation)	336,468	330,090	322,832	329,814	295,735	285,252	283,156	277,302	292,431	298,827
Amount of Debt Applicable to Limit	336,468	330,090	322,832	329,814	295,735	285,252	283,156	277,302	292,431	298,827
General Obligation Bonds	12,110	13,222	14,424	15,549	16,699	17,824	18,033	18,909	19,756	20,576
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Installment purchase contracts**	15,666	18,126	21,650	25,933	27,308	29,857	31,646	34,014	20,861	22,076
Capital Leases	1,182	3,524	84	242	400	314	-	141	158	175
Revenue Bonds	2,252	2,304	2,355	2,405	2,454	2,502	2,549	2,595	2,640	2,687
Total net debt applicable to limit	31,210	37,176	38,513	44,129	46,861	50,497	52,228	55,659	43,415	45,514
Legal debt margin	\$ 305,258	\$ 292,914	\$ 284,319	\$ 285,685	\$ 248,874	\$ 234,755	\$ 230,928	\$ 221,643	\$ 249,016	\$ 253,313
Total net debt applicable to the limit as a percentage of debt limit	9.28%	11.26%	11.93%	13.38%	15.85%	17.70%	18.44%	20.07%	14.85%	15.23%

**Installment Debt includes COPS, QZAB and
Installment Purchases

Note: Under state finance law, the County'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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2023	47,848	\$ 1,080,072	\$ 22,573	5,357	5.4%
2022	48,272	1,057,253	21,902	5,710	6.5%
2021	48,622	1,062,293	21,848	6,106	9.2%
2020	49,828	1,047,185	21,016	6,205	9.1%
2019	50,574	1,032,013	20,406	6,150	6.6%
2018	51,310	1,033,075	20,134	6,545	6.5%
2017	51,766	1,020,256	19,709	6,314	7.4%
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%

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

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant North Hospital (formerly HRMC)	801	1	14.40%	846	1	15.12%
County of Halifax	502	2	9.03%	637	2	11.38%
Reser's Fine Foods	461	3	8.29%	300	6	5.36%
Westrock (Kapstone)	420	4	7.55%	480	4	8.58%
Roanoke Rapids City Schools	372	5	6.69%	451	5	8.06%
PCB Piezotronics	352	6	6.33%	152	14	2.72%
Wal-Mart, Inc.	300	7	5.39%	255	10	4.56%
Halifax County Schools	284	8	5.11%	558	3	9.97%
AAA Carolinas	260	9	4.68%	290	7	5.18%
Don Pancho	230	10	4.14%	160	13	2.86%
Rural Health Group (Halifax only)	226	11	4.06%	211	11	3.77%
New Dixie Oil	213	12	3.83%	263	8	4.70%
City of Roanoke Rapids	152	13	2.73%	137	16	2.45%
Weldon City Schools	143	14	2.57%	200	12	3.57%
Meherrin River Forest Products (located in former Coastal Lumber Bldg)	133	15	2.39%			
AEL Span (located in former Safelite Bldg)	132	16	2.37%			
Patch Rubber	123	17	2.21%	150	15	2.68%
Halifax Community College	120	18	2.16%	270	9	4.82%
Halifax Linen Service	120	19	2.16%	115	18	2.06%
Kennametal	112	20	2.02%	121	17	2.16%
Binderholz-Enfield	53	21	0.95%			
JBB Packaging LLC	52	22	0.94%			
Total	5,561		100.00%	5,596		100.00%

Source: State Department of Commerce.

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Justice and law enforcement	95	86	92	99	94	108	105	106	98	95
Health and human services	306	296	302	323	319	310	255	253	253	248
Environment, parks, and education	3	3	1	3	2	3	3	7	7	7
Public works	24	21	36	24	25	22	19	24	24	24
General government	106	104	102	100	103	104	157	167	187	185
Total	534	510	533	549	543	547	539	557	569	559

Source: County Budget Office.

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

Function	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Sheriff										
Volume of calls	40,428	36,973	38,624	44,050	44,900	41,239	51,033	50,914	43,657	37,425
Incident reports filed	1,660	1,478	1,490	1,724	1,204	2,114	2,242	2,336	2,370	2,515
EMS										
Volume of calls	13,129	13,274	13,029	12,710	12,742	12,793	12,586	12,632	12,753	12,925
Response time (in minutes)	9.73	9.83	10.00	9.82	11.00	10.18	9.82	9.80	9.69	9.80
Transports	10,720	8,059	8,253	8,312	8,714	8,807	8,777	8,936	9,161	9,436
Water										
New connections	111	87	76	139	34	78	64	72	85	130
Water mains breaks	12	5	9	10	8	11	12	15	13	12
Average daily consumption (thousands of gallons)	2,339,175	2,574,822	2,555,330	2,529,836	2,424,852	2,389,850	2,513,403	2,390,509	2,181,290	2,485,378

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public safety										
Sheriff										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	70	70	70	69	69	100	32	91	87	86
EMS										
Stations	6	6	6	6	6	6	6	6	6	6
Ambulances/QRV'S	21	21	21	21	21	21	21	21	21	21
Water										
Water mains (miles)	618	618	618	618	618	618	618	618	618	614
Fire hydrants	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,820
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000
Sewer										
Sanitary sewers (miles)	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

Sources: Various County departments.

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

N/A-NOT AVAILABLE

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Halifax County
Halifax County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Halifax County, North Carolina** (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2023. 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 were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Halifax County ABC Board or that are reported on separately by those auditors who audited the financial statements of the Halifax County ABC Board.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Raleigh, North Carolina
November 27, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Commissioners
Halifax County
Halifax County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Halifax County, North Carolina's** (the "County") 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 the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Raleigh, North Carolina
November 27, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of Commissioners
Halifax County
Halifax County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited **Halifax County, North Carolina's** (the "County") 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 the County's major state programs for the year ended June 30, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major state program.

Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Raleigh, North Carolina
November 27, 2023

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass- through Grantor Number	Expenditures		Payments to Subrecipients All
			Federal	State	
FEDERAL AWARDS					
U.S. Department of Agriculture:					
Passed through North Carolina Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants, & Children (WIC)	10.557		\$ 361,163	\$ -	\$ -
Supplemental Nutrition Assistance Program:					
SNAP Administration	10.561		859,301	-	-
SNAP Fraud Administration	10.561		71,706	-	-
SNAP ARPA Funds	10.561		180,487	-	-
Supplemental Nutrition Assistance Program Cluster			1,111,494	-	-
Passed through Upper Coastal Plain Council of Govt. USDA Supplement	93.053		21,592	-	-
Total U.S. Department of Agriculture			1,494,249	-	-
U.S. Department of Justice:					
Passed through North Carolina Department of Crime Control and Public Safety					
Juvenile Justice and Delinquency Prevention	16.540	842-xxxx	255,175	-	-
Bulletproof Vest Program	16.607		8,379	-	-
Total U.S. Department of Justice			263,554	-	-
U.S. Department of Homeland Security:					
Passed through NC Department of Public Safety					
Homeland Security Grant Program (Shelter Trailer)	97.067	EMW-2020-SS-00023	14,756	-	-
Homeland Security Grant Program (Prime Mover)	97.067	EMW-2021-SS-00039	50,850	-	-
Emergency Management Performance Grant Program	97.042	EMA-2020-EP-00009	39,032	-	-
Total U.S. Department of Homeland Security			104,638	-	-
U.S. Department of Transportation:					
Passed through NC Department of Transportation					
Highway Planning and Construction Cluster:					
Peanut Belt Rural Transportation Planning Organization	20.205	48232.4.14	79,549	-	-
Total U.S. Department of Transportation			79,549	-	-
U.S. National Foundation on the Arts and the Humanities					
Passed through NC Department of Cultural Programs					
LSTA 2022-2023 Grants to States	45.310	LS-252476-OLS-22	1,589	-	-
Total U.S. National Foundation on the Arts and the Humanities			1,589	-	-
U.S. Department of Treasury:					
Passed through NC Department of Natural and Cultural Resources: State Library of NC					
State Fiscal Recovery Funds	21.027	200005799	55,550	-	-
Passed through NC Pandemic Recovery Office					
State Fiscal Recovery Funds	21.027		7,713,856	-	-
Total U.S. Department of Treasury			7,769,406	-	-
U.S. Department of Health and Human Services					
Passed through NC Department of Health and Human Services					
Temporary Assistance for Needy Families (TANF):					
Pandemic Emergency Assistance Fund (PEAF)	93.558		65,936	-	-
TANF - Work First Administration	93.558		30,441	-	-
TANF - Work First Service	93.558		137,409	-	-
Total Temporary Assistance for Needy Families Cluster			233,786	-	-
Foster Care and Adoption Cluster:					
Foster Care IV-E Child Protective Services	93.658		87,765	38,612	-
Foster Care IV-E Administration Foster Care/Off Trn	93.658		249,509	-	-
Foster Care IV-E-Foster Care Trn	93.658		15,876	-	-
Adoption Assistance/Off Trn - Title IV-E	93.569		31,017	-	-
Total Foster Care and Adoption			384,167	38,612	-
Medicaid:					
Medical Assistance Program - Adt Cr Hm Cs Mgt/Spec	93.778		2,907	1,453	-
Medical Assistance Program - MAC	93.778		57,810	-	-
Medical Assistance Program - Admin	93.778		2,266,699	338,606	-
Medical Assistance Program - Transp Admin	93.778		242,170	-	-
Medical Assistance Program - State Co Special Asst	93.778		73,478	10,410	-
Total Medicaid Cluster			2,643,064	350,469	-
Children's Health Insurance Program - NC Health Choice - Administration	93.767		45,537	2,321	-
Child Care Fund Cluster:					
Child Care and Development Fund - Administration	93.596		85,762	-	-
Foster Care	93.596		346,463	-	-
Total Child Care Fund Cluster			432,225	-	-
Chafee Foster Care Independence Program	93.674		7,554	1,889	-

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass- through Grantor Number	Expenditures		Payments to Subrecipients All
			Federal	State	
FEDERAL AWARDS (Continued)					
Passed through North Carolina Department of Health and Human Services					
Stephanie Tubbs Jones Child Welfare Services	93.645		\$ 10,931	\$ -	\$ -
Child Support Enforcement:					
Child Support Enforcement IV-D Administration	93.563		862,243	-	-
Child Support Enforcement IV-D Offset Fees - Esc	93.563		19	-	-
Child Support Enforcement IV-D Offset Fees - Esc Admin	93.563		8	-	-
Child Support Enforcement IV-D Offset Fees - Federal	93.563		2,376	(567)	-
Total Child Support Enforcement			864,646	(567)	-
Passed through North Carolina Department of Health and Human Services					
Social Services Block Grant:					
Social Services Block Grant-Adult Day Care	93.667		28,656	3,675	-
Social Services Block Grant-Adult Protective Service	93.667		21,738	-	-
Social Services Block Grant-Child Protective Services Temporary	93.667		97,403	-	-
Social Services Block Grant-In-Home Services	93.667		5,097	-	-
Social Services Block Grant-In-Home Services over 60	93.667		8,963	-	-
Social Services Block Grant-Other Svcs & Trng	93.667		541,313	-	-
Social Services Block Grant - APS Essent Svcs/APS ARPA	93.667		5,809	-	-
Total Social Services Block Grant			708,979	3,675	-
Promoting Safe and Stable Families	93.556		11,716	-	-
Low-income Home Energy Assistance Program:					
Low-income Home Energy Assistance - Administration	93.568		59,719	-	-
Low-income Home Energy Assistance - Home Energy Assistance	93.568		242,393	-	-
Low-income Home Energy Assistance - Crisis Intervention Program	93.568		339,124	-	-
Low-income Home Energy Assistance - ARPA Administration	93.568		(2,483)	-	-
Low-income Household Water Assistance - ARPA	93.568		67,856	-	-
Low-income Household Water Assistance - ARPA Administration	93.568		25,230	-	-
Low-income Household Water Assistance - Administration	93.568		(4,731)	-	-
Low-income Household Water Assistance - CAA	93.568		142,292	-	-
Total Low-income Home Energy Assistance Grant			869,400	-	-
Hospital Preparedness Program (HPP)	93.069		36,528	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		21,913	-	-
Family Planning Service	93.217		67,568	-	-
Immunization Grants	93.268		60,469	-	-
Advancing Equity	93.391		67,980	-	-
Temporary Assistance for Needy Families	93.558		14,871	-	-
Preventive Health & Health Services Block Grant (PPHF)	93.758		3,747	-	-
Preventative Health Services - Block Grant 2018	93.991		30,607	-	-
Maternal and Child Health Services Block Grant	93.994		345,607	138,684	-
CK 19-1904 Epid and Lab Cap for Prev & Control of Emerging Inf Disease (ELC)	93.323		127,008	-	-
Total U.S. Department of Health and Human Services			6,988,303	535,083	-
North Carolina Department of Health and Human Services					
Passed through Upper Coastal Plain Council of Governments					
Aging Cluster:					
Access Services	93.044		83,865	13,156	-
Home-Delivered Meals	93.045		118,736	29,522	-
Congregate Meals	93.045		120,059	7,062	-
Total North Carolina Department of Health and Human Services			322,660	49,740	-
TOTAL FEDERAL AWARDS			17,023,948	584,823	-

(continued)

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass- through Grantor Number	Expenditures		Payments
			Federal	State	to Subrecipients All
STATE AWARDS					
<u>Division of Public Health</u>					
Food and Lodging Fees			\$ -	\$ 4,467	\$ -
General Aid to Counties			-	141,183	-
General Communicable Disease Control			-	2,293	-
Positive Parenting Program (Triple P)			-	169,429	-
Child Health			-	146,359	-
HIV/STD State			-	500	-
School Nurse Funding Initiative			-	196,040	-
Family Planning - State			-	67,764	-
Maternal Health			-	33,233	-
Women's Health Service Fund			-	10,241	-
TB Control			-	67,817	-
Total Division of Public Health			-	839,326	-
<u>Division of Social Services</u>					
State Child Welfare			-	144,117	-
DCD Smart Start			-	40,295	-
Total Division of Public Health			-	184,412	-
Total North Carolina Department of Health and Human Services			-	1,023,738	-
North Carolina Department of Environmental and Natural Resources					
Division of Natural Resources:					
Economic and Physical Development State Grant			-	3,600	-
State Cost Share			-	30,000	-
Division of Waste Management:					
Scrap Tire Program		DEQ-8	-	3,658	-
Total North Carolina Department of Environmental and Natural Resources			-	37,258	-
North Carolina Department of Transportation					
Rural General Public Transportation		36228.22.8.1	-	74,511	-
Elderly and Handicapped Transportation		36220.10.8.1	-	19,479	-
Work First Transportation		36236.11.7.1	-	95,907	-
Total North Carolina Department of Transportation			-	189,897	-
North Carolina Department of Cultural Resources					
State Aid to Public Libraries			-	101,443	-
Total North Carolina Department of Cultural Resources			-	101,443	-
North Carolina Department of Public Safety					
Division of Emergency Management					
Emergency Management - Supplement Award		Tier II - 22	-	1,000	-
Division of Governor's Crime Commission					
Information Technology Grant			-	84,270	-
Total North Carolina Department of Public Safety			-	85,270	-
North Carolina Department of Corrections					
Criminal Justice			-	87,983	-
Total North Carolina Department of Corrections			-	87,983	-
North Carolina Department of Public Instruction					
Public School Building Capital Fund - Lottery Funds			-	200,000	-
Total North Carolina Department of Public Instruction			-	200,000	-
North Carolina Department of Environmental Quality					
VW-Transit Bus Program		45618VW	-	116,327	-
Total North Carolina Department of Agriculture and Consumer Services			-	116,327	-
North Carolina Department of Commerce					
Passed through Rural Demolition Grant Funds					
Halifax Corporate Park Demolition Project			-	23,205	-
Passed through the Golden Leaf Foundation					
Enfield Industrial Site			-	18,500	-
Total North Carolina Department of Public Safety			-	41,705	-
TOTAL STATE AWARDS			-	1,883,621	-
TOTAL FEDERAL AND STATE AWARDS			\$ 17,023,948	\$ 2,468,444	\$ -

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the Federal and State grant activity of Halifax County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Costs

Halifax County has elected not to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major state programs:
 Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Assistance Program (Medicaid)
96.563	Child Support Enforcement
21.027	Coronavirus State & Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

SECTION I

SUMMARY OF AUDIT RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for
major state programs?

Unmodified

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

Yes No

Identification of major State programs:

Program Name

Medicaid Assistance Program (Medicaid)

Public School Building Capital Fund

General Aid to Counties

Positive Parenting Program

School Nurse Funding Initiative

Other major state programs include Medicaid Assistance Program (Medicaid) which has a state match on the federal program. Therefore, these programs have been included in the major programs above.

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles, Repeat

Information on the federal programs: Medicaid Cluster (Medicaid), Assistance Listing Number 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Medical Assistance.

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Condition: Employee's time is tracked through the use of day sheets in which employees track their time by service code in 6-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted two out of sixty day sheets selected for Medicaid had more program minutes than what was reported on the employee's approved time sheet.

Context/Cause: As the day sheets included more program time than was included on the employee's approved timesheet, the time spent on this program was understated during the 1571 monthly reimbursement request to the State. We noted the above condition in two out of sixty day sheets selected for Medicaid.

Effects: Inaccurate reporting of time coded to programs affects the total federal and state reimbursement for the program.

Recommendation: We recommend that the County implements a review control over weekly timesheets to ensure the timesheets include all program time coded on the daysheets.

Auditee's Response: We concur with the finding and are currently implementing controls to ensure the timesheets are appropriately reviewed.

SECTION IV
STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-001 as listed in Section III Federal Award Findings and Questioned Costs is also considered to be a state award finding.

HALIFAX COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2023

2022-001 **Accounting for Long-term Debt, Repeat**

Criteria: Internal controls should be in place to ensure the financial statements of the County are properly presented in accordance with accounting principles generally accepted in the United States of America. This includes the proper recognition and presentation of the County's long-term liabilities.

Conditions: Misstatements were detected in the recognition and reporting of long-term liabilities in the business-type activities as of June 30, 2022.

Current Status: Corrected.

2022-002 **Equity Reconciliation**

Criteria: Internal controls should be in place to ensure that financial statements of the County are properly presented in accordance with accounting principles generally accepted in the United States of America.

Conditions: Material misstatements were detected in the reconciliation of the County's equity balances for business-type funds.

Current Status: Corrected.

2022-003 **Accounts Payable**

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

Conditions: A material misstatement was detected in the recognition and reporting of liabilities in the business-type activities as of June 30, 2022.

Current Status: Corrected.

2022-004 **Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles**

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Conditions: A material misstatement was detected in an employee's daysheet and timesheet that resulted in understated time during the 1571 monthly reimbursement request to the State.

Current Status: Repeat finding; see 2023-001.



County of Halifax
State of North Carolina

Halifax County Historic Courthouse
10 North King Street, Post Office Box 38 Halifax, North Carolina 27839
252-583-1131 · Fax 252-583-9921
www.halifaxnc.com

Dia H. Denton
County Manager
dentond@halifaxnc.com

Management's Corrective Action Plan for the Year Ended June 30, 2023

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

Contact Person Responsible for the Corrective Action Plan: Mary W. Duncan, Finance Director

Corrective Action Plan: We have discussed the finding and are currently implementing controls to ensure the timesheets are appropriately reviewed to match with daysheets.

Anticipated Completion Date: June 30, 2024