

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

Prepared by:
Office of Budget and Finance

Submitted by:
Mary W. Duncan
Finance Director

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION



State of North Carolina

County of Halifax

TONY N. BROWN
COUNTY MANAGER

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

December 17, 2020

Board of County Commissioners
and the Citizens of Halifax County

We are pleased to present the comprehensive annual financial report (CAFR) of Halifax County, North Carolina, for the fiscal year ended June 30, 2020. 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 they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

The ABC Board is required by state statute to distribute its surpluses to the General Funds of the County, cities and towns in which it operates 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 discretely presented component unit in the County's financial statements.

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

Where the Spirit of Independence Was Born

Tourism 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 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 49,828. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 14,787.

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

Agriculture, tourism, health care and manufacturing continue to be the major economic drivers for Halifax County. Halifax County ranks #1 in cotton and #3 in peanut production for North Carolina. The County's location along the Interstate 95 corridor is a major driver for commerce and tourism. Tourism related revenues exceeded \$106 million in 2019. In the first ever release of Gross Domestic Product (GPD) at the county level, Halifax County showed a 2.4% increase in GPD from 2017 to 2018, ranking 33rd in the state for GPD growth.

Halifax County's economy showed positive signs--declining unemployment and growth in the labor force, retail sales and other indicators prior to COVID 19 conditions. Like most North Carolina counties, the pandemic resulted in a significant decline in the overall economy with subtle signs of recovery emerging in June. Nevertheless, improving the quality-of-life for its citizens remains a major goal for the Halifax County Board of Commissioners. Their continued investments in infrastructure and site development will support new commercial and industrial opportunities, higher wage jobs, diversification of the local employment base, and increased economic activity in the future.

Reflecting the impact of COVID-19, the County's average unemployment rate for FY 2019-2020 was 7.1% as compared to 5.9% in FY 2018-2019. Halifax County's labor force declined from 20,340 in 2018-2019 to 20,328 in FY 2019-2020. Gross retail sales were most impacted by COVID-19 business shutdowns, decreasing by 8.8% from \$577,953,136 in FY 2018-2019 to \$526,737,893 in 2019-2020. In contrast, building permit values increased by 30.3%, from \$33,788,488 in 2018-2019 to \$44,044,732 through June 2020.

In Fiscal Year 2019-2020, several new and expanding industrial projects were announced resulting in new job creation and investment in Halifax County and diverse employment opportunities for our citizens.

Recent Initiatives

For the fourth year in a row, Site Selection Magazine named the Roanoke Rapids Micropolitan Area as one of the Top 100 micropolitan areas in the US, receiving an overall ranking of #59 based on the number of new and expanding economic development projects.

Major industrial activities include:

- PCB Piezotronics of NC, Inc. announced an expansion that will add 120 new jobs in Halifax County.
- Halifax Linen completed expansion of its operations investing \$5.7 million in new machinery and equipment.
- JBB Packaging, LLC completed the upfit of its plastics manufacturing facility, creating 27 new jobs to date and investing \$17 million. Additionally, Halifax County completed construction of a rail spur to serve JBB Packaging for a total cost of \$570,000, which was paid with grant funds.
- Don Pancho Authentic Mexican Foods completed the expansion of its food operations in Halifax County resulting in an additional investment of \$7 million and 79 new jobs.
- Airboss Rubber Solutions completed expansion of its manufacturing facility in Scotland Neck, adding 42 additional jobs and \$5.8 million investment.

Major commercial projects underway or completed in 2019-2020 include:

- Haggerty's Steakhouse opened a new restaurant location on Becker Drive in Roanoke Rapids.
- Babcock Furniture opened a new location at the Lowe's Shopping Center.
- Becker Village Mall sold to a Virginia developer with plans to revitalize the facility.
- Halifax Regional Medical Center completed its merger with Vidant Health, emerging as Vidant North Hospital.
- Halifax County completed a study of the development potential for Exit 171 in anticipation of transportation improvements that will enhance commercial development opportunities.
- A hotel feasibility study for I-95 Exit 173 was completed illustrating the strong potential of a name brand hotel at this location.
- Landings of Lake Gaston, a 50-unit assisted living facility is under construction in Littleton providing care for seniors that do not require a high degree of medical assistance.
- The Town of Halifax and Hurt Construction are partnering in the renovation of the former Halifax Hotel that will offer 11 boutique apartments.
- Commencement of construction of the Advanced Manufacturing & Corporate Training Center at Halifax Community College with completion schedules for fall of 2021.

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 pilots as a resting point. Fuel sales decreased more than 18% in FY 20 due to the federal court ruling regarding a stop-work order on the Atlantic Coast Pipeline.

Halifax County Public Utilities has completed the final cover and closure for the Coal Ash Monofill and the Construction and Demolition (C&D) Landfill. C&D material suitable for transfer is now being routed through the Transfer Station. Asbestos and C&D material that would damage the Transfer Station facility, are being disposed of in the newly constructed C&D landfill.

The meter replacement program continues with the goal of keeping manual reads under 500 meters. Three more tank mixers are budgeted for this year in our effort to improve water quality for all customers.

The Public Utility Office now has the capability to accept credit card payments on-site after overcoming numerous software issues.

The County has been focusing on information technology efforts in the last year. Remote wireless connection points were established in the historic courthouse as well as court services building to enhance access to the internet., Phase 4 completed the transition to VOIP, Voice Over Internet Provider, telephone service by connecting the Halifax Library main branch and Ag Center/Cooperative Extension building; this was completed in December 2019.

The County provided the three public school systems with \$5,659,735 in current expense and \$3,909,276 in capital outlay funds. Halifax Community College received \$1,187,851 in operating funds and \$255,027 in capital outlay funds. In addition, debt service payments were made on QSCB projects for the Roanoke Rapids Graded School District and the Weldon City School District.

Future Initiatives

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

- Major transportation improvements are under construction to enhance commercial development including the extension of Premier Boulevard to NC Highway 125 and multi-laning of NC Highway 125 from Old Farm Road in Roanoke Rapids to Exit 171.
- Continued marketing of the Halifax Corporate Park for new and expanding business locations
- Completion of final studies required for the former WestPoint Stevens manufacturing site and buildings for designation as "Ready for Reuse" under the NC Brownfields Program.
- Halifax County continues to work with the Town of Weldon, NC Department of Transportation and Amtrak in support of passenger rail service in Weldon. A ridership and revenue study is underway to support the location of a rail stop and station at this location.
- Retiring debt service on the Transfer station after the 2022 fiscal year should allow more competitive rates and make the County Transfer Station more attractive to potential customers.

- Challenges in filling CDL positions and truck operation costs may make privatization of Convenience Center hauling operation a cost-effective alternative. Convenience Center site maintenance will be a need due to condition of attendant offices at several sites.
- The Water Division will continue to focus on improving water quality for our customers by adding tank mixers when appropriate and other system improvements such as remotely adjustable chlorine pumps. A booster pump station is needed for the 450' pressure zone. Grants and Loans through the NCDEQ division of Water Infrastructure will be pursued to defray cost for these improvements.

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

Financial Information

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Halifax County, appropriations in all funds are formally budgeted at the departmental level or project level. However, for internal accounting purposes, budgetary control is maintained by object class (line account). Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available. Encumbrances are liquidated at year end; however, encumbrances generally are re-appropriated as part of the following year's budget and are reported as reservations of fund balance.

The County, because of population, is required by North Carolina General Statute 159-26(d) to use an encumbrance system.

In accordance with state law, the County's budget is prepared on the modified accrual basis; its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for un-matured principal and interest on long-term debt and certain compensated absences.

Governmental Fund types, such as the County's General Fund, Special Revenue Funds, Capital Project Funds, and Agency Funds are reported on the modified accrual basis in the financial statements. The County's Enterprise Funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes: (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, 2020, 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.

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 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 Atlanta, Georgia 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, 2019. This was the 21st 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 Office Staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit also should be given to the Board of Commissioners for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



Tony N. Brown
County Manager



Mary W. Duncan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Halifax County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2020

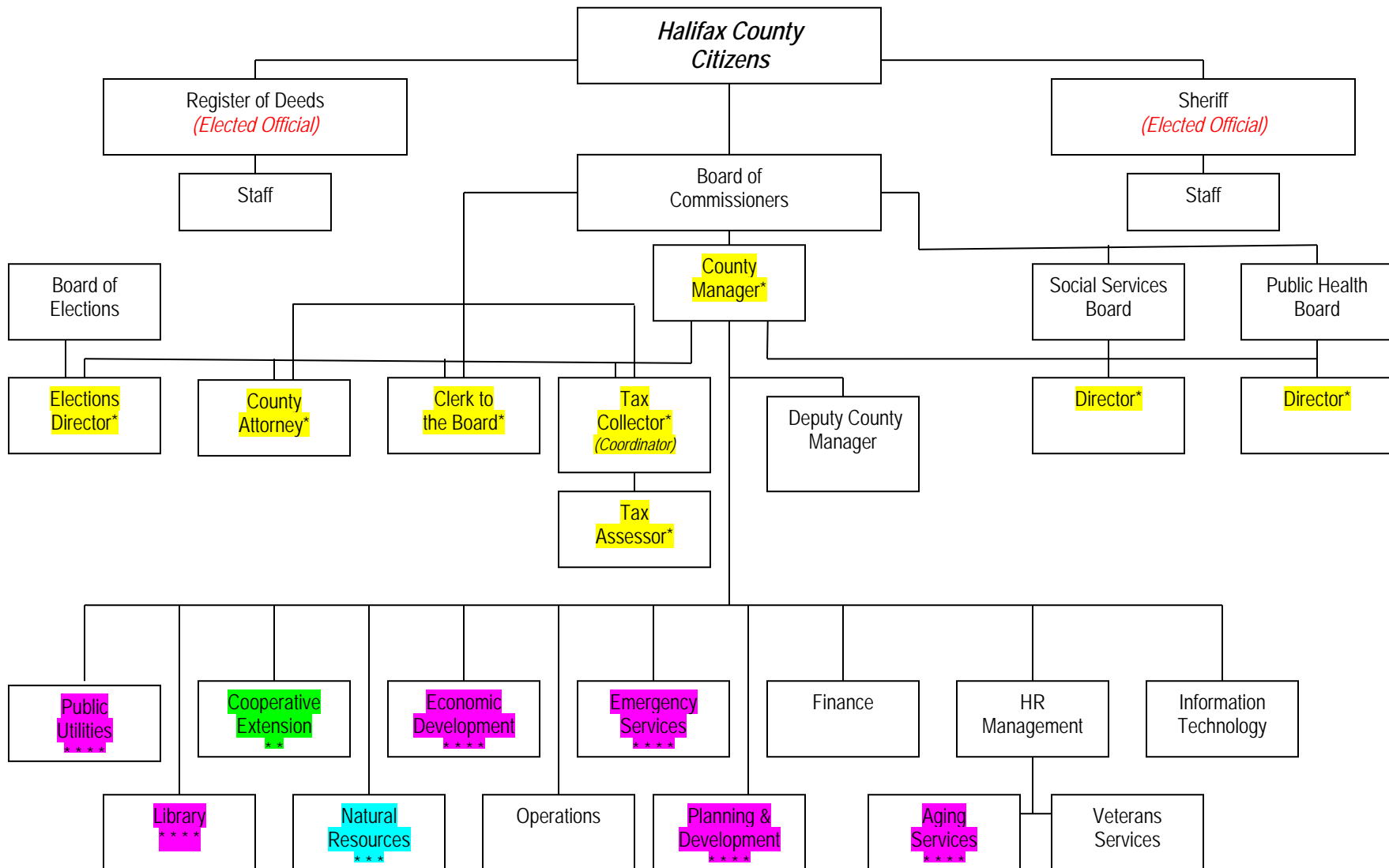
Board of Commissioners

Vernon J. Bryant, Chairman
J. Rives Manning, Jr., Vice-Chairman
Linda A. Brewer
Carolyn C. Johnson
Marcelle O. Smith
T. Patrick W. Qualls

Administrative Officials

Tony N. Brown, County Manager
Dia H. Denton, Deputy County Manager
Mary W. Duncan, Finance Director
M. Glynn Rollins, Jr., County Attorney
Christie C. Avens, Register of Deeds
S. Wesley Tripp, Jr, Sheriff
Bruce L. Robistow, Director of Health Services
Felicia Exum, Interim Director of Social Services
Brenda Faithful, Director of Library

Organizational Chart ~ Halifax County North Carolina
June 30, 2020



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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Members of the Board of Commissioners
Halifax County, North Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Halifax County, North Carolina (the "County")**, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Halifax County ABC Board, which represents 73%, 67%, and 88% of the assets, net position, and revenues of the discretely presented component units, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Halifax County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Halifax County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the County's Total OPEB Liability and Related Ratios – OPEB Plan, the County's Proportionate Share of Net Pension Liability (Asset) – LGERS, the Schedule of the County's Contributions – LGERS, the Schedule of Changes in Total Pension Liability – LEOSSA, the Schedule of Total Pension Liability as a Percentage of Covered Payroll – LEOSSA, the County's Proportionate Share of Net Pension Liability (Asset) – Register of Deeds Supplemental Pension Fund, and the Schedule of the County's Contributions – Register of Deeds Supplemental Pension Fund, on pages 4-14, 74, 75, 76, 78, 79, 80, and 81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

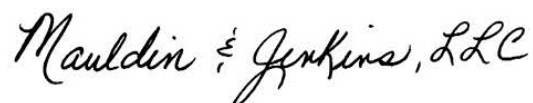
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund statements and schedules, the schedule of expenditures of federal and state awards as required Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the schedule of expenditures of federal and state awards (the "supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, 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 the County's internal control over financial reporting and compliance.



Columbia, South Carolina
December 17, 2020

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, 2020. 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 \$37,422,065. The County's net position of governmental activities exhibited an increase of \$4,890,292 with the business-type activities showing an increase of \$4,580 resulting in the government's total net position increasing by \$4,894,872.

As of the close of the current fiscal year, Halifax County's governmental funds reported combined ending fund balances of \$42,138,677 after a net increase of \$4,886,051. Approximately 56.1% of this total amount, or \$23,633,154, is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$13,603,069, or 23.76%, of net General Fund expenditures and transfers at the close of the current fiscal year.

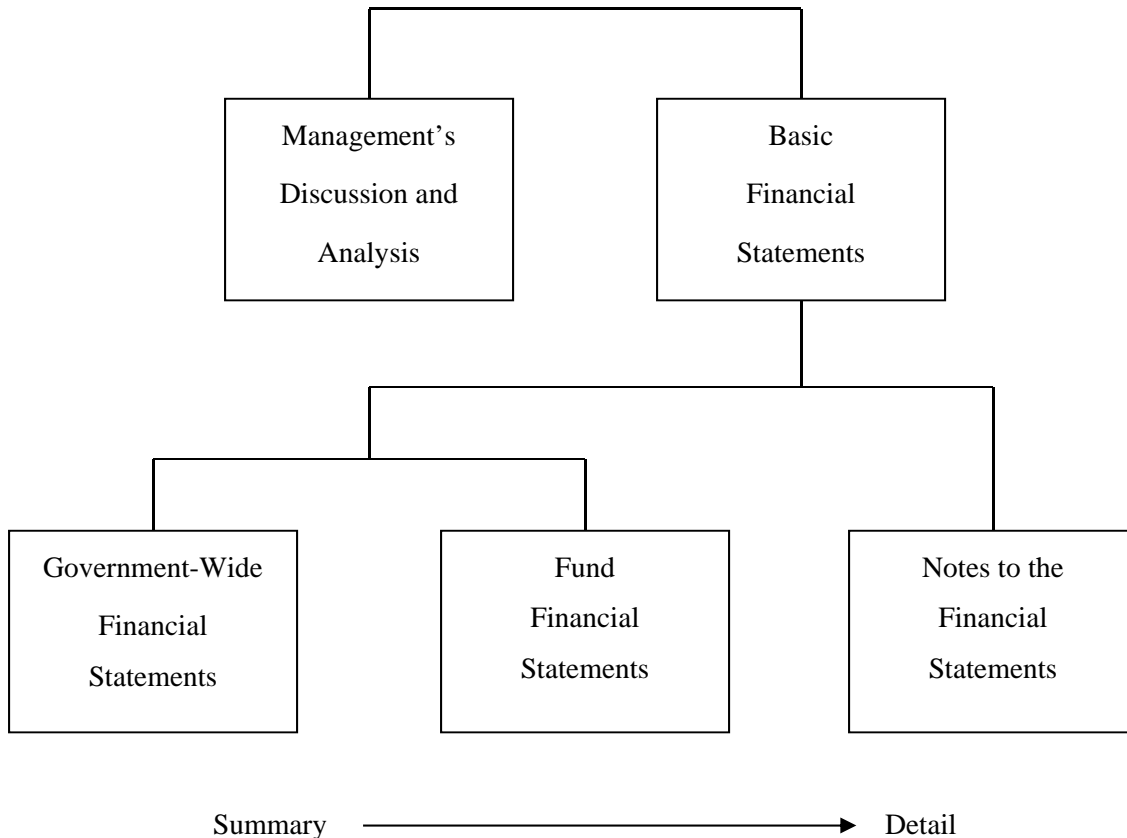
The County holds an A+ bond rating from Standard and Poor's effective as of June 30, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

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

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

The final section is the **Notes to the Financial Statements**. The notes 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 liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The government-wide financial statements include not only the County itself (primary government), but also the ABC Board and the Tourism Development Authority. Financial information for these component units is reported separately from the financial information presented for primary government.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The County, like other State and local governments in North Carolina, uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provision. The fund statements focus on the major funds of the County. All of the County's funds may be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements with the major difference being how the funds can be readily converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a current financial 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 statements provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budget basis of accounting and is presented using the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual revenue or expenditures.

Proprietary Funds

The County maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report in greater detail the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its utility system and solid waste system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various departments. The County uses internal service funds to account for Health Insurance Fund and Unemployment Insurance Fund. Because this operation benefits predominately governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the governmental-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. The County has one fiduciary fund: Agency Fund. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets held by the County as an agent on the behalf of others. The County has three trust and agency funds: Social Services Trust Fund – monies deposited with DSS for the benefits of certain individuals; Tax Collection Agency Fund – revenues collected by the County on behalf of municipalities within the County; Register of Deeds Trust Fund Fee – monies remitted monthly to the State from marriage licenses.

Notes to the Basic Financial Statements

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

Other Information

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, are found in the *Combining and Individual Fund Statements and Schedules* of the CAFR. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found on pages 74 through 82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Halifax County's Net Position

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and Other Assets	\$ 47,160,052	\$ 40,961,774	\$ 8,878,735	\$ 10,264,929	\$ 56,038,787	\$ 51,226,703
Restricted assets	2,928,227	2,597,552	98,031	97,973	3,026,258	2,695,525
Capital assets	19,361,823	20,410,450	30,722,021	32,563,683	50,083,844	52,974,133
Total Assets	69,450,102	63,969,776	39,698,787	42,926,585	109,148,889	106,896,361
Deferred Outflows of Resources	6,349,442	6,372,616	190,802	197,477	6,540,244	6,570,093
Liabilities:						
Current Liabilities	7,510,555	5,858,890	1,888,234	2,237,962	9,398,789	8,096,852
Non-current liabilities	43,398,808	44,718,569	24,123,118	26,977,959	67,521,926	71,696,528
Total liabilities	50,909,363	50,577,459	26,011,352	29,215,921	76,920,715	79,793,380
Deferred Inflows of Resources	1,329,681	1,094,725	16,672	51,156	1,346,353	1,145,881
Net Position:						
Net investment in capital assets	14,500,906	19,974,793	11,204,510	11,728,621	25,705,416	31,703,414
Restricted	21,170,154	18,614,020	-	-	21,170,154	18,614,020
Unrestricted	(12,110,560)	(19,918,605)	2,657,055	2,128,364	(9,453,505)	(17,790,241)
Total Net Position	\$ 23,560,500	\$ 18,670,208	\$ 13,861,565	\$ 13,856,985	\$ 37,422,065	\$ 32,527,193

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 of resources exceeded liabilities and deferred inflows of resources by \$37,422,065 at fiscal year-end. Net position increased in the current fiscal year due to the increases in tax collections, defunding of previously approved capital projects as well as reduced departmental spending in light of COVID-19. \$25,705,416 (68.7%) reflects the County's investment in capital assets such as land, buildings, equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on these capital assets will require future government resources.

\$21,170,154 (56.6%) 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,183,647	\$ 6,645,617	\$ 10,351,835	\$10,024,492	\$ 17,535,482	\$ 16,670,109
Operating Grants and Contributions	15,558,129	17,520,858	-	578,216	15,558,129	18,099,074
Capital Grants and Contributions	400,000	267,649	-	-	400,000	267,649
General Revenue:						
Property Taxes	35,755,677	34,774,157	-	-	35,755,677	34,774,157
Local Option Sales Tax	10,277,087	10,520,348	-	-	10,277,087	10,520,348
Other Taxes	683,992	702,002	-	-	683,992	702,002
Interest	209,127	679,056	37,776	55,043	246,903	734,099
Total Revenues	<u>70,067,659</u>	<u>71,109,687</u>	<u>10,389,611</u>	<u>10,657,751</u>	<u>80,457,270</u>	<u>81,767,438</u>
Expenses:						
General Government	8,879,980	8,245,946	-	-	8,879,980	8,245,946
Public Safety	18,680,287	18,654,858	-	-	18,680,287	18,654,858
Economic & physical Development	2,293,571	1,685,582	-	-	2,293,571	1,685,582
Human Services	18,882,522	20,636,307	-	-	18,882,522	20,636,307
Cultural & Recreationa	721,052	845,917	-	-	721,052	845,917
Education	14,882,026	15,775,104	-	-	14,882,026	15,775,104
Interest and fees	776,980	802,858	-	-	776,980	802,858
Water and Sewer	-	-	6,619,690	6,251,538	6,619,690	6,251,538
Landfill/Solid Waste	-	-	3,826,290	9,708,245	3,826,290	9,708,245
Total Expenses	<u>65,116,418</u>	<u>66,646,572</u>	<u>10,445,980</u>	<u>15,959,783</u>	<u>75,562,398</u>	<u>82,606,355</u>
Revenue Over (Under) Expenses	4,951,241	4,463,115	(56,369)	(5,302,032)	4,894,872	(838,917)
Transfers	(60,949)	(47,543)	60,949	47,543	-	-
Change in New Positio	<u>4,890,292</u>	<u>4,415,572</u>	<u>4,580</u>	<u>(5,254,489)</u>	<u>4,894,872</u>	<u>(838,917)</u>
Net Position:						
Beginning of Year July :	18,670,208	14,254,636	13,856,985	19,111,474	32,527,193	40,954,194
End of Year - June 30	<u>\$ 23,560,500</u>	<u>\$ 18,670,208</u>	<u>\$ 13,861,565</u>	<u>\$13,856,985</u>	<u>\$ 37,422,065</u>	<u>\$ 32,527,193</u>

Governmental Activities

Of total net position, operating grants and contributions funded \$15,558,129 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2020, interest revenues improved along with the economy and the County continues the utilization of interest earnings credit as an off-set against bank charges/administrative fees. Revenues remained fairly constant with fees from construction, which had taken a downturn in the previous fiscal years. The Commissioners continue to be aggressive in pursuing businesses through economic development incentives of building reuse grants and other infrastructure needs. As noted earlier, County expenses decreased during the year due to reduced departmental spending in light of COVID-19.

Business-Type Activities

Business-type activities increased the County's net position by \$4,580 after absorbing a bankruptcy filing of Westmoreland related to the long-term receivable for the Ash Monofil closure expense in the prior fiscal year. Water and Sewer rates were changed to market prices after several years of absorbing increased costs and to improve debt covenant percentages per revenue bond guidelines.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

The General Fund is the chief operating fund of Halifax County. At the end of the current fiscal year, unassigned fund balance available in the General Fund was \$13,603,069, while total fund balance reached \$39,690,093. The County currently has an available fund balance of 23.76% (unassigned) of General Fund expenditures and transfers out, while total fund balance represents 69.31% of that same amount. The increase in fund balance of the General Fund for the current year (\$4,505,066) can be attributed to two (2) main factors: (1) increased property tax revenues from better collection rates and increased assessed values and (2) reduced departmental spending as a result of COVID-19. The timing of property tax revenue billing and collection meant that the majority of these revenues had already been collected by the time the initial impacts of the pandemic were being felt by the County in late winter / early spring.

At June 30, 2020, the governmental funds of Halifax County reported a combined fund balance of \$42,138,677, an 13.12% increase from last year. This can be primarily attributed to the defunding of several capital projects as well as reduced departmental spending during COVID-19.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This difference in focus and purpose creates significant variances between the governmental fund financial statements of the government-wide financial statements. For the year ended June 30, 2020, the net change in fund balances per the governmental funds showed an increase of \$4,886,051, while the governmental activities column of the government-wide financial statements indicated an increase of \$4,890,292 in net position. A reconciliation statement between the governmental funds and governmental activities is included in the basic financial statements.

Fund balance may serve as a useful measure of a government's net resources available for spending. Prepaid items of \$3,113 are considered non-spendable. Approximately \$23.6 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 \$218,087 at year-end. All the fund balances for special revenue funds are considered restricted. The County received \$1,063,679 in COVID-19 Relief funds just prior to the fiscal year end and the County spent \$52,464 of these funds in the current year. As required by the GASB in the *Technical Bulletin* issued in mid-2020, the remaining balance of these unspent funds are reported as a liability as of June 30, 2020.

Capital Project Funds reported expenditures of \$746,769 for the current fiscal year. Projects, which become assets of the County, excluding expenditures for school related items, have their yearly expenses added to the County's construction in progress until the project is completed and then depreciated over their useful lives.

Proprietary Funds

Proprietary funds provide the same type of information found in the government-wide finance statements, but in more detail. Net position of the Solid Waste Fund at year-end totaled \$40,978 and the Water Fund totaled \$13,820,587 for a cumulative total of \$13,861,565. 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, 2020, total net position amounted to \$2,640,286, which is an increase of \$702,098 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 \$8,421,830 a portion of this increase can be tied to property tax collections, conservative spending and postpone/cancelation of several improvement projects.

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, 2020, amounts to \$50,083,844 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, and solid waste convenience sites. The decrease in the County's capital assets for the current fiscal year was approximately 5.5%.

Halifax County's Capital Assets

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and Improvements	\$ 4,070,791	\$ 4,070,791	\$ 463,850	\$ 489,086	\$ 4,534,641	\$ 4,559,877
Buildings	32,597,996	32,542,896	57,136,762	57,136,762	89,734,758	89,679,658
Equipment	5,453,531	6,925,119	4,626,044	4,598,774	10,079,575	11,523,893
Vehicles	5,577,874	5,367,756	1,120,748	1,086,010	6,698,622	6,453,766
Sub-total	47,700,192	48,906,562	63,347,404	63,310,632	111,047,596	112,217,194
Less: Accumulated depreciation	(28,338,369)	(28,496,112)	(32,625,383)	(30,746,949)	(60,963,752)	(59,243,061)
Total	\$ 19,361,823	\$ 20,410,450	\$ 30,722,021	\$ 32,563,683	\$ 50,083,844	\$ 52,974,133

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

Prior to implementation of GASB No. 34, accumulated depreciation and depreciation expenses were required to be reported only in the enterprise funds and internal service funds. With the implementation of GASB 34, accumulated depreciation was reported in the Statement of Net Position for capital assets, which were not held by the enterprise or internal service funds. In addition, the corresponding depreciation expenses were reported in the Statement of Activities. Please refer to Note 6 in the notes to financial statements for further details regarding the County's capital assets.

Long-Term Debt

A significant component of the County's debt is the general obligation bonds, at \$15,548,715, 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 \$329.8 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	
	2020	2019
General Obligation Bond	\$ 15,548,715	\$ 16,698,520
Revenue Bonds	2,405,000	2,454,000
Total	<u>\$ 17,953,715</u>	<u>\$ 19,152,520</u>

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$312.05 as of June 30, 2020, while the County's gross debt per capita is \$917.01

Please refer to Note 7 in the notes to financial statements for further details regarding the County's outstanding debt and other long-term liabilities.

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 2021 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 20,625 and has an unemployment rate of 9.1% as of June 30, 2020. This compares unfavorably to the State's unemployment rate of 7.5% but favorably as compared to the United States' rate of 11.1% for the same period. The labor force, per Employment Security Commission charts, showed a decrease, and unemployment rate has increased in comparison to the prior fiscal year and can be attributable to the pandemic.
- Inflationary trends in the region compare favorably to national indices.
- Population of 49,828 has continued to decrease from 2019 by approximately 1.48%.

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2020-2021

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. A property tax decrease to reflect a near hold-harmless rate was approved by the Board of Commissioners for Fiscal Year 2021 budget. The tax rate for fiscal year 2021 is \$.71 per \$100 in conjunction with the debt service value of \$.05. The County's current property valuation is \$3.29 billion dollars and the budgeted property collection rate for Fiscal Year 2021 is 97.0%.

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 20 exceeded the budgeted amount by \$607,392. Revenues from earned interest are continuing to rise while conservative budgeting is still in place. Expenditure modifications implemented in prior fiscal years were carried forward into fiscal year 2021.

Halifax County was allocated \$2,034,271 in CARES funding to assist with COVID-19 mitigation; funds totaling approximately 25% of the allocation (\$508,900) were budgeted based on population to the seven municipalities in the County. These are special revenue funds and will be spent by December 31, 2020.

Economic development will continue to be emphasized during the 2020-2021 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 2021 budgeted expenditures for the Solid Waste Fund are \$4,290,752 as compared to \$4,268,178 in fiscal year 2020. Public Utilities – Water Division's FY 21 budgeted expenditures are \$6,581,183 which is an increase of 4.3% 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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
ASSETS					
Cash and cash equivalents	\$ 37,935,867	\$ 7,074,002	\$ 45,009,869	\$ 1,069,391	\$ 1,151,695
Receivables, net of allowance for uncollectibles	6,863,880	1,677,553	8,541,433	-	-
Taxes receivable, net of allowance for uncollectibles	2,320,992	-	2,320,992	-	-
Due from other governments	21,459	41,434	62,893	97,271	-
Internal balances	(53,252)	53,252	-	-	-
Inventories	-	32,494	32,494	-	484,259
Prepaid items	3,113	-	3,113	1,583	291
Restricted cash and cash equivalents	2,928,227	98,031	3,026,258	-	-
Net pension asset	67,993	-	67,993	-	-
Capital assets:					
Non-depreciable	4,070,791	436,727	4,507,518	-	275,222
Depreciable, net of accumulated depreciation	15,291,032	30,285,294	45,576,326	-	1,164,188
Total assets	69,450,102	39,698,787	109,148,889	1,168,245	3,075,655
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	5,236,975	190,802	5,427,777	31,932	67,409
OPEB related items	1,112,467	-	1,112,467	1,370	40,908
Total deferred outflows of resources	6,349,442	190,802	6,540,244	33,302	108,317
LIABILITIES					
Accounts payable	1,402,948	512,094	1,915,042	25,118	254,706
Accrued liabilities	215,606	83,961	299,567	-	316,515
Customer deposits	-	294,835	294,835	-	-
Interest payable	93,056	-	93,056	-	-
Unearned revenue	1,011,215	-	1,011,215	-	-
Claims payable	298,736	-	298,736	-	-
Installment notes from direct borrowing, due within one year	5,184,808	1,176,802	6,361,610	-	-
Installment notes from direct borrowing, due in more than one year	20,748,406	14,371,913	35,120,319	-	-
Notes payable from direct borrowing, due within one year	-	118,746	118,746	-	-
Notes payable from direct borrowing, due in more than one year	-	1,445,050	1,445,050	-	-
Bonds payable from direct placement, due within one year	-	50,000	50,000	-	-
Bonds payable from direct placement, due in more than one year	-	2,355,000	2,355,000	-	-
Financed purchase, due within one year	160,493	-	160,493	-	-
Financed purchase, due in more than one year	81,480	-	81,480	-	-
Compensated absences, due within one year	762,306	30,592	792,898	7,696	-
Compensated absences, due in more than one year	1,143,459	45,888	1,189,347	11,543	-
Landfill postclosure liability, due in more than one year	-	5,200,292	5,200,292	-	-
Total pension liability, due in more than one year	1,919,745	-	1,919,745	-	-
Net pension liability, due in more than one year	8,550,684	326,179	8,876,863	44,241	81,108
Total OPEB liability, due in more than one year	9,336,421	-	9,336,421	14,578	271,630
Total liabilities	50,909,363	26,011,352	76,920,715	103,176	923,959

(continued)

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	\$ 218,045	\$ -	\$ 218,045	\$ -	\$ -
Unearned taxes	-	14,489	14,489	-	-
OPEB related items	981,814	-	981,814	132	6,100
Pension related items	129,822	2,183	132,005	852	-
Total deferred inflows of resources	1,329,681	16,672	1,346,353	984	6,100
NET POSITION					
Net investment in capital assets	14,500,906	11,204,510	25,705,416	-	1,439,410
Restricted for:					
Stabilization by State Statute	6,348,472	-	6,348,472	92,271	-
Public safety	1,827,560	-	1,827,560	-	-
Human services	11,914,040	-	11,914,040	-	-
Education	297,579	-	297,579	-	-
Tax reassessment	665,864	-	665,864	-	-
Culture and recreation	4,000	-	4,000	-	-
Economic and physical development	112,639	-	112,639	-	-
Other	-	-	-	-	202,029
Unrestricted	(12,110,560)	2,657,055	(9,453,505)	1,005,116	612,474
Total net position	\$ 23,560,500	\$ 13,861,565	\$ 37,422,065	\$ 1,097,387	\$ 2,253,913

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,879,980	\$ 4,255,132	\$ 765,001	\$ -
Public safety	18,680,287	2,518,036	1,427,593	-
Economic and physical development	2,293,571	242,267	176,372	400,000
Human services	18,882,522	135,059	12,436,471	-
Culture and recreation	721,052	33,153	96,921	-
Education	14,882,026	-	655,771	-
Interest on long-term debt	776,980	-	-	-
Total governmental activities	<u>65,116,418</u>	<u>7,183,647</u>	<u>15,558,129</u>	<u>400,000</u>
Business-type activities:				
Solid waste	3,826,290	4,101,478	-	-
Water and sewer	6,619,690	6,250,357	-	-
Total business-type activities	<u>10,445,980</u>	<u>10,351,835</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 75,562,398</u>	<u>\$ 17,535,482</u>	<u>\$ 15,558,129</u>	<u>\$ 400,000</u>
Component Units:				
Halifax County Tourism Development Authority	\$ 910,024	\$ -	\$ -	\$ -
Halifax County ABC Board	6,653,548	6,802,110	-	-
Total component units	<u>\$ 7,563,572</u>	<u>\$ 6,802,110</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:
Ad valorem taxes
Sales and use taxes
Other taxes
Investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

(continued)

Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
\$ (3,859,847)	\$ -	\$ (3,859,847)	\$ -	\$ -
(14,734,658)	-	(14,734,658)	-	-
(1,474,932)	-	(1,474,932)	-	-
(6,310,992)	-	(6,310,992)	-	-
(590,978)	-	(590,978)	-	-
(14,226,255)	-	(14,226,255)	-	-
(776,980)	-	(776,980)	-	-
(41,974,642)	-	(41,974,642)	-	-
-	275,188	275,188	-	-
-	(369,333)	(369,333)	-	-
-	(94,145)	(94,145)	-	-
\$ (41,974,642)	\$ (94,145)	\$ (42,068,787)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (910,024)	\$ -
-	-	-	-	148,562
\$ -	\$ -	\$ -	\$ (910,024)	\$ 148,562
\$ 35,755,677	\$ -	\$ 35,755,677	\$ -	\$ -
10,277,087	-	10,277,087	-	-
683,992	-	683,992	936,179	-
209,127	37,776	246,903	402	4,728
-	-	-	55	-
(60,949)	60,949	-	-	-
46,864,934	98,725	46,963,659	936,636	4,728
4,890,292	4,580	4,894,872	26,612	153,290
18,670,208	13,856,985	32,527,193	1,070,775	2,100,623
\$ 23,560,500	\$ 13,861,565	\$ 37,422,065	\$ 1,097,387	\$ 2,253,913

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 31,758,172	\$ 3,157,771	\$ 34,915,943
Taxes receivable, net	1,852,652	468,340	2,320,992
Accounts receivable, net	6,090,632	773,248	6,863,880
Due from other governments	-	21,459	21,459
Prepaid items	2,913	200	3,113
Restricted cash and cash equivalents	2,928,227	-	2,928,227
Total assets	<u>\$ 42,632,596</u>	<u>\$ 4,421,018</u>	<u>\$ 47,053,614</u>
LIABILITIES			
Accounts payable	\$ 882,419	\$ 439,627	\$ 1,322,046
Accrued payroll and withholdings	161,463	-	161,463
Accrued liabilities	54,143	-	54,143
Due to other funds	-	53,252	53,252
Unearned revenue	-	1,011,215	1,011,215
Total liabilities	<u>1,098,025</u>	<u>1,504,094</u>	<u>2,602,119</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - ad valorem taxes	1,626,188	468,340	2,094,528
Unearned revenue	245	-	245
Deferred revenue - prepaid taxes	218,045	-	218,045
Total deferred inflows of resources	<u>1,844,478</u>	<u>468,340</u>	<u>2,312,818</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	2,913	200	3,113
Restricted:			
Stabilization by State Statute	6,317,096	31,376	6,348,472
Public safety	1,505,993	186,711	1,692,704
Debt service	2,928,227	-	2,928,227
Human services	11,878,135	-	11,878,135
Tax reassessment	665,864	-	665,864
Culture and recreation	-	4,000	4,000
Economic and physical development	-	112,639	112,639
Assigned:			
Use in subsequent fiscal year	2,788,796	-	2,788,796
Economic and physical development	-	2,113,658	2,113,658
Unassigned	13,603,069	-	13,603,069
Total fund balances	<u>39,690,093</u>	<u>2,448,584</u>	<u>42,138,677</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,632,596</u>	<u>\$ 4,421,018</u>	<u>\$ 47,053,614</u>

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, 2020

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

Fund balances - total governmental funds	\$ 42,138,677
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	19,361,823
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	2,094,773
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.	(5,295,283)
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.	(9,205,768)
Internal service funds are used by the County to charge costs to other funds. The assets and liabilities are included in the governmental activities.	2,640,286
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(28,174,008)</u>
Net position - governmental activities	<u><u>\$ 23,560,500</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, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 28,785,948	\$ 6,718,122	\$ 35,504,070
Sales taxes	9,650,774	626,313	10,277,087
Other taxes	78,292	605,700	683,992
Intergovernmental revenues	15,151,456	806,428	15,957,884
Permits and fees	2,108,871	-	2,108,871
Charges for services	3,640,835	-	3,640,835
Investment earnings	206,723	2,404	209,127
Miscellaneous	1,433,941	-	1,433,941
Total revenues	<u>61,056,840</u>	<u>8,758,967</u>	<u>69,815,807</u>
Expenditures			
Current:			
General government	8,643,622	-	8,643,622
Public safety	16,134,877	2,171,715	18,306,592
Economic and physical development	1,283,400	621,290	1,904,690
Human services	18,470,508	56,466	18,526,974
Culture and recreation	657,084	6,000	663,084
Education	8,644,949	6,237,077	14,882,026
Debt service:			
Principal retirements	2,686,078	-	2,686,078
Interest and fiscal charges	740,971	42,183	783,154
Total expenditures	<u>57,261,489</u>	<u>9,134,731</u>	<u>66,396,220</u>
Excess (deficiency) of revenues over expenditures	3,795,351	(375,764)	3,419,587
Other financing sources (uses)			
Issuance of installment note	152,413	1,000,000	1,152,413
Transfers in	575,000	10,000	585,000
Transfers out	(17,698)	(253,251)	(270,949)
Total other financing sources (uses)	<u>709,715</u>	<u>756,749</u>	<u>1,466,464</u>
Net change in fund balances	4,505,066	380,985	4,886,051
Fund balances, beginning of year	<u>35,185,027</u>	<u>2,067,599</u>	<u>37,252,626</u>
Fund balances, end of year	<u>\$ 39,690,093</u>	<u>\$ 2,448,584</u>	<u>\$ 42,138,677</u>

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

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, 2020

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

Net change in fund balances - total governmental funds	\$ 4,886,051
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 expense exceeded capital outlays in the current period.	(1,048,627)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	251,852
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	1,533,665
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.	702,098
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.	<u>(1,434,747)</u>
Change in net position - governmental activities	<u>\$ 4,890,292</u>

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, 2020

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 28,188,000	\$ 28,188,000	\$ 28,785,948	\$ 597,948
Other taxes and licenses	9,285,000	9,285,000	9,729,066	444,066
Intergovernmental revenue	16,712,486	18,490,242	15,151,456	(3,338,786)
Permits and fees	2,073,541	2,138,313	2,108,871	(29,442)
Sales and services	3,953,770	4,067,770	3,640,835	(426,935)
Miscellaneous	291,299	995,565	1,433,941	438,376
Investment earnings	300,000	381,000	206,723	(174,277)
Total revenues	60,804,096	63,545,890	61,056,840	(2,489,050)
Expenditures				
Current:				
General government	8,702,773	10,673,846	8,643,622	2,030,224
Public safety	16,753,578	17,444,253	16,044,548	1,399,705
Economic and physical development	1,024,751	1,534,279	1,283,400	250,879
Human services	24,087,792	25,566,650	18,470,508	7,096,142
Culture and recreation	661,445	701,526	657,084	44,442
Education	8,147,215	8,853,031	8,644,949	208,082
Debt service:				
Principal retirements	2,839,687	2,926,651	2,686,078	240,573
Interest	761,798	755,834	740,971	14,863
Total expenditures	62,979,039	68,456,070	57,171,160	11,284,910
Excess (deficiency) of revenues over expenditures	(2,174,943)	(4,910,180)	3,885,680	8,795,860
Other financing sources (uses):				
Issuance of installment note	-	152,413	152,413	-
Transfers in	12,659,491	16,806,914	16,482,230	(324,684)
Transfers out	(11,992,187)	(12,098,493)	(12,098,493)	-
Appropriated fund balance	1,507,639	49,346	-	(49,346)
Total other financing sources	2,174,943	4,910,180	4,536,150	(374,030)
Net change in fund balances	-	-	8,421,830	8,421,830
Fund balances, beginning of year	35,185,027	35,185,027	35,185,027	-
Net change in fund balance from consolidated project length funds:				
911 backup project			(3,612,764)	
Jail expansion project			(304,000)	
Fund balances, end of year	\$ 35,185,027	\$ 35,185,027	\$ 39,690,093	\$ 8,421,830

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

ASSETS	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,966,300	\$ 4,107,702	\$ 7,074,002	\$ 3,019,924
Accounts receivable, net of allowances	870,056	807,497	1,677,553	-
Due from other funds	-	53,252	53,252	-
Due from other governments	12,234	29,200	41,434	-
Restricted cash and cash equivalents	-	98,031	98,031	-
Inventories	-	32,494	32,494	-
Total current assets	3,848,590	5,128,176	8,976,766	3,019,924
CAPITAL ASSETS				
Nondepreciable	312,250	124,477	436,727	-
Depreciable, net of accumulated depreciation	1,708,795	28,576,499	30,285,294	-
Total noncurrent assets	2,021,045	28,700,976	30,722,021	-
Total assets	5,869,635	33,829,152	39,698,787	3,019,924
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	70,602	120,200	190,802	-
Total deferred outflows of resources	70,602	120,200	190,802	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	243,820	268,274	512,094	80,902
Accrued liabilities	2,430	81,531	83,961	-
Customer deposits	-	294,835	294,835	-
Claims payable	-	-	-	298,736
Installment contracts, current	184,552	992,250	1,176,802	-
Notes payable, current	-	118,746	118,746	-
Bonds payable, current	-	50,000	50,000	-
Compensated absences payable, current	7,881	22,711	30,592	-
Total current liabilities	438,683	1,828,347	2,267,030	379,638
NONCURRENT LIABILITIES				
Landfill postclosure	5,200,292	-	5,200,292	-
Installment contracts from direct borrowing due in more than one year	107,195	14,264,718	14,371,913	-
Notes payable from direct borrowing, due in more than one year	-	1,445,050	1,445,050	-
Bonds payable from direct placement, due in more than one year	-	2,355,000	2,355,000	-
Compensated absences payable	11,822	34,066	45,888	-
Net pension liability	125,935	200,244	326,179	-
Total noncurrent liabilities	5,445,244	18,299,078	23,744,322	-
Total liabilities	5,883,927	20,127,425	26,011,352	379,638
DEFERRED INFLOWS OF RESOURCES				
Pension related items	843	1,340	2,183	-
Unearned taxes	14,489	-	14,489	-
Total deferred inflows of resources	15,332	1,340	16,672	-
NET POSITION				
Net investment in capital assets	1,729,298	9,475,212	11,204,510	-
Unrestricted	(1,688,320)	4,345,375	2,657,055	2,640,286
Total net position	\$ 40,978	\$ 13,820,587	\$ 13,861,565	\$ 2,640,286

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, 2020

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 4,017,479	\$ 6,093,303	\$ 10,110,782	\$ -
Other operating revenues	-	-	-	5,082,403
Miscellaneous	83,999	157,054	241,053	-
Total operating revenues	4,101,478	6,250,357	10,351,835	5,082,403
OPERATING EXPENSES				
Landfill	19,957	-	19,957	-
Administrative and general	-	1,392,861	1,392,861	-
Operations and maintenance	3,699,801	2,881,251	6,581,052	-
Depreciation	98,846	1,779,588	1,878,434	-
Claims and payments to third party administrators	-	-	-	4,033,280
Total operating expenses	3,818,604	6,053,700	9,872,304	4,033,280
Operating income	282,874	196,657	479,531	1,049,123
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	34,188	3,588	37,776	27,975
Interest expense	(7,686)	(565,990)	(573,676)	-
Total non-operating revenue (expenses)	26,502	(562,402)	(535,900)	27,975
Income (loss) before transfers	309,376	(365,745)	(56,369)	1,077,098
Transfers in	2,801	58,148	60,949	-
Transfers out	-	-	-	(375,000)
Change in net position	312,177	(307,597)	4,580	702,098
Net position (deficit), beginning of year	(271,199)	14,128,184	13,856,985	1,938,188
Net position, end of year	\$ 40,978	\$ 13,820,587	\$ 13,861,565	\$ 2,640,286

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, 2020

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,092,320	\$ 6,185,816	\$ 10,278,136	\$ 5,082,403
Payments to suppliers	(5,130,542)	(3,538,529)	(8,669,071)	(4,329,963)
Payments to employees	(502,664)	(672,435)	(1,175,099)	-
Net cash provided by (used in) operating activities	(1,540,886)	1,974,852	433,966	752,440
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interfund receipts	-	(53,252)	(53,252)	-
Transfers from other funds	2,801	58,148	60,949	-
Transfers to other funds	-	-	-	(375,000)
Net cash provided by (used in) non-capital financing activities	2,801	4,896	7,697	(375,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	(62,008)	(62,008)	-
Principal payments on long-term debt	(180,647)	(1,136,904)	(1,317,551)	-
Interest paid	(9,190)	(572,014)	(581,204)	-
Net cash used in capital and related financing activities	(189,837)	(1,770,926)	(1,960,763)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	34,188	3,588	37,776	27,975
Net cash provided by investing activities	34,188	3,588	37,776	27,975
Net increase (decrease) in cash and cash equivalents	(1,693,734)	212,410	(1,481,324)	405,415
Cash and cash equivalents, beginning of year	4,660,034	3,993,323	8,653,357	2,614,509
Cash and cash equivalents, end of year	\$ 2,966,300	\$ 4,205,733	\$ 7,172,033	\$ 3,019,924
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	\$ 282,874	\$ 196,657	\$ 479,531	\$ 1,049,123
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	98,846	1,779,588	1,878,434	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Increase in accounts receivable	(27,864)	(74,372)	(102,236)	-
(Increase) decrease in amounts due from other governments	51,371	(2,489)	48,882	-
Decrease in inventory	-	11,418	11,418	-
Increase (decrease) in accounts payable	(8,335)	4,545	(3,790)	21,874
Decrease in postclosure liability	(1,939,834)	-	(1,939,834)	-
Increase in customer deposits	-	12,320	12,320	-
Increase (decrease) in compensated absences payable	430	(258)	172	-
Decrease in claims payable	-	-	-	(318,557)
Increase in deferred taxes	(32,665)	-	(32,665)	-
Increase in pension related items	34,291	47,443	81,734	-
Net cash provided by (used in) operating activities	\$ (1,540,886)	\$ 1,974,852	\$ 433,966	\$ 752,440

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2020

ASSETS	Agency Funds
Cash and cash equivalents	\$ 239,584
Taxes receivable	<u>1,091,122</u>
Total assets	<u><u>\$ 1,330,706</u></u>
 LIABILITIES	
Due to others	\$ 239,584
Uncollected taxes	<u>1,091,122</u>
Total liabilities	<u><u>\$ 1,330,706</u></u>

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

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 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 funds** consist of agency funds which are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: Tax Collection Agency Fund, which accounts for the collection and disbursement of tax revenues to municipalities within the County; and, Social Services Trust Fund, which accounts for monies deposited within the Department of Social Services for the benefit of certain individuals.

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, 2020, 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, which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

F. Restricted cash and cash equivalents

The County has restricted cash and cash equivalents in a QZAB sinking fund and 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, 2019.

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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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.

L. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible 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)

L. 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 are depreciated using the straight line method over the following estimated useful lives:

Buildings and land improvements	30 years
Improvements	7 years
Furniture and equipment	5 years
Vehicles	5 years
Computers	5 years

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to 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 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 – LEOSA, 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.

N. 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 240 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)

O. 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.

P. 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)

P. 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’s deficit in unrestricted net position is due primarily to the portion of the County’s outstanding general obligation and installment debt totaling approximately \$18.4 million incurred for the Halifax County Board of Education and the Roanoke Rapids Graded School District (collectively, the “school systems”). Under North Carolina law, the County is responsible for providing capital funding to the school systems and has done so using a mixture of County funds and general obligation debt. The deficit results because the debt is recorded on the County’s financial statements as the issuing government, while the related assets are owned, operated, and recorded in the school systems’ 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)

Q. 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.

R. 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.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$28,174,008 difference are as follows:

Installment notes	\$ (25,933,214)
Financed purchase payable	(241,973)
Accrued interest payable	(93,056)
Compensated absences (i.e., vacation)	<u>(1,905,765)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (28,174,008)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another element of that reconciliation explains that “total OPEB liability and related deferred inflows and outflows of resources related to the County’s OPEB plan is not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this \$9,205,768 difference are as follows:

Total OPEB liability	\$ (9,336,421)
OPEB related deferred inflows and outflows of resources	<u>130,653</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (9,205,768)</u></u>

Another element of that reconciliation explains that “the net pension liability (asset), total pension liability, and related deferred inflows and outflows of resources related to the County’s defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.” The details of this \$5,295,283 difference are as follows:

Total pension liability and related deferred inflows and outflows of resources - Law Enforcement Officers' Special Separation Allowance (LEOSSA) - pension plan	\$ (1,699,818)
Net pension liability and related deferred inflows and outflows of resources - LGERS - pension plan	(3,675,367)
Net pension asset and related deferred inflows and outflows of resources - Register of Deeds Retirement Plan - pension plan	<u>79,902</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (5,295,283)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$1,048,627 difference are as follows:

Capital outlay	\$ 626,078
Depreciation expense	<u>(1,674,705)</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (1,048,627)</u></u>

Another element of the reconciliation states that “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.” The details of this \$1,533,665 difference are as follows:

Debt service payments on long-term liabilities	\$ 2,686,078
Issuance of long-term liabilities	<u>(1,152,413)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ 1,533,665</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

C. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “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.” The details of this \$1,434,747 difference are as follows:

Compensated absences (i.e., vacation)	\$ 131,167
Change in accrued interest	6,174
Net pension liability and related deferred outflows and inflows - LGERS	(1,774,527)
Total pension liability and related deferred outflows and inflows - LEOSSA	(68,675)
Net pension asset and related deferred outflows and inflows- ROD	(5,649)
Total OPEB liability and related deferred outflows and inflows	<u>276,763</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (1,434,747)</u></u>

NOTE 3. 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 following is a list of the funds and departments which reported expenditures in excess of approved budgets:

Local Fire Districts - Public Safety	\$ 4,139
Weldon School District Fund - Education	8,700
Halifax County School District Fund - Education	12,046
Solid Waste Landfill - Landfill operations	1,868,619

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2020 are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 45,009,869
Restricted cash and cash equivalents	3,026,258
Fiduciary - agency funds	239,584
	<u>\$ 48,275,711</u>
Cash deposited with financial institutions	\$ 20,635,924
Cash deposited with NCCMT	27,639,787
	<u>\$ 48,275,711</u>

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, 2020, the County had \$21,323,159 invested in the NCCMT's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The NCCMT's government cash portfolio is reported at fair value. The County has \$6,316,628 invested in the NCCMT Term Portfolio as of June 30, 2020. The NCCMT Term Portfolio is reported at fair value. Both portfolios are 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. The County's investments with the NCCMT Term Portfolio reported a weighted-average duration of 0.15 years at June 30, 2020.

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, 2020, the County's deposits are insured or collateralized as required by GASB and state statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2020, 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>Landfill</u>	<u>Nonmajor Governmental</u>
Receivables:				
Taxes	\$ 2,532,756	\$ -	\$ -	\$ 468,340
Accounts	7,653,162	1,076,208	1,151,023	773,248
Due from other governments	-	29,200	12,234	21,459
Less allowance for uncollectible	(2,242,634)	(268,711)	(280,967)	-
Total	<u>\$ 7,943,284</u>	<u>\$ 836,697</u>	<u>\$ 882,290</u>	<u>\$ 1,263,047</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County for the year ended June 30, 2020 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	\$ 4,070,791	\$ -	\$ -	\$ 4,070,791
Total	<u>4,070,791</u>	<u>-</u>	<u>-</u>	<u>4,070,791</u>
Capital assets, being depreciated:				
Buildings and improvements	32,542,896	55,100	-	32,597,996
Vehicles	5,367,756	274,364	(64,246)	5,577,874
Equipment	6,925,119	296,614	(1,768,202)	5,453,531
Total being depreciated	<u>44,835,771</u>	<u>626,078</u>	<u>(1,832,448)</u>	<u>43,629,401</u>
Less accumulated depreciation for:				
Buildings and improvements	(18,981,242)	(770,498)	-	(19,751,740)
Vehicles	(4,210,573)	(409,304)	64,246	(4,555,631)
Equipment	(5,304,297)	(494,903)	1,768,202	(4,030,998)
Total	<u>(28,496,112)</u>	<u>(1,674,705)</u>	<u>1,832,448</u>	<u>(28,338,369)</u>
Total capital assets, being depreciated, net	<u>16,339,659</u>	<u>(1,048,627)</u>	<u>-</u>	<u>15,291,032</u>
Governmental activities capital assets, net	<u>\$ 20,410,450</u>	<u>\$ (1,048,627)</u>	<u>\$ -</u>	<u>\$ 19,361,823</u>

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

Governmental activities:

General government	\$ 293,375
Public safety	735,687
Economic and physical development	202,750
Human services	397,635
Cultural and recreational	45,258
Total depreciation expense - governmental activities	<u>\$ 1,674,705</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Landfill:				
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	52,359	-	(25,236)	27,123
Buildings	1,956,534	-	-	1,956,534
Vehicles	672,462	-	-	672,462
Equipment	1,748,432	-	-	1,748,432
Total	<u>4,429,787</u>	<u>-</u>	<u>(25,236)</u>	<u>4,404,551</u>
Less accumulated depreciation for:				
Land improvements	(26,996)	(123)	-	(27,119)
Buildings	(365,712)	(65,342)	-	(431,054)
Vehicles	(655,273)	(6,023)	-	(661,296)
Equipment	(1,548,929)	(27,358)	-	(1,576,287)
Total	<u>(2,596,910)</u>	<u>(98,846)</u>	<u>-</u>	<u>(2,695,756)</u>
Total capital assets being depreciated, net	<u>1,832,877</u>	<u>(98,846)</u>	<u>(25,236)</u>	<u>1,708,795</u>
Solid Waste Landfill capital assets, net	<u>\$ 2,145,127</u>	<u>\$ (98,846)</u>	<u>\$ (25,236)</u>	<u>\$ 2,021,045</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Fund:				
Nondepreciable capital assets:				
Land and improvements	\$ 124,477	\$ -	\$ -	\$ 124,477
Total	<u>124,477</u>	<u>-</u>	<u>-</u>	<u>124,477</u>
Capital assets, being depreciated:				
Plant and distribution systems	55,180,228	-	-	55,180,228
Vehicles	413,548	34,738	-	448,286
Equipment and furniture	2,850,342	27,270	-	2,877,612
Total	<u>58,444,118</u>	<u>62,008</u>	<u>-</u>	<u>58,506,126</u>
Less accumulated depreciation for:				
Plant and distribution systems	(25,877,404)	(1,551,550)	-	(27,428,954)
Vehicles	(323,940)	(25,967)	-	(349,907)
Equipment and furniture	(1,948,695)	(202,071)	-	(2,150,766)
Total	<u>(28,150,039)</u>	<u>(1,779,588)</u>	<u>-</u>	<u>(29,929,627)</u>
Total capital assets being depreciated, net	<u>30,294,079</u>	<u>(1,717,580)</u>	<u>-</u>	<u>28,576,499</u>
Water and Sewer Fund capital assets, net	<u>\$ 30,418,556</u>	<u>\$ (1,717,580)</u>	<u>\$ -</u>	<u>\$ 28,700,976</u>

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

Business-type activities	
Solid Waste Landfill	\$ 98,846
Water	1,779,588
Total depreciation expense - business-type activities	<u>\$ 1,878,434</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Installment notes from					
direct borrowing	\$ 27,308,325	\$ 1,152,413	\$ (2,527,524)	\$ 25,933,214	\$ 5,184,808
Financed purchases	400,527	-	(158,554)	241,973	160,493
Net pension liability - LGERS	7,559,025	4,131,663	(3,140,004)	8,550,684	-
Total pension liability - LEOSSA	1,673,256	355,351	(108,862)	1,919,745	-
Compensated absences	2,036,932	1,474,650	(1,605,817)	1,905,765	762,306
Total OPEB liability	9,241,355	895,490	(800,424)	9,336,421	-
Governmental activity					
Long-term liabilities	<u>\$ 48,219,420</u>	<u>\$ 8,009,567</u>	<u>\$ (8,341,185)</u>	<u>\$ 47,887,802</u>	<u>\$ 6,107,607</u>
Business-type activities:					
Installment notes from					
direct borrowing	\$ 16,698,520	\$ -	\$ (1,149,805)	\$ 15,548,715	\$ 1,176,802
Revenue bonds from					
direct placement	2,454,000	-	(49,000)	2,405,000	50,000
Notes payable from					
direct borrowing	1,682,542	-	(118,746)	1,563,796	118,746
Postclosure liability	7,165,362	10,058	(1,975,128)	5,200,292	-
Net pension liability - LGERS	249,301	196,658	(119,780)	326,179	-
Compensated absences	76,308	26,323	(26,151)	76,480	30,592
Long-term liabilities	<u>\$ 28,326,033</u>	<u>\$ 233,039</u>	<u>\$ (3,438,610)</u>	<u>\$ 25,120,462</u>	<u>\$ 1,376,140</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. The claims payable liability is liquidated through the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. 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, 2020 are as follows:

	<u>Balance as of June 30, 2020</u>
<i>Governmental activities</i>	
Intallment 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.	\$ 13,273,333
Promissary 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.	7,201,000
Qualified Zone Academy Bond installment purchase contract for \$1,642,400 was issued in December 2004 with annual sinking fund payments of \$89,500 with an interest rate of 1.79%. The final maturity of the bond is 2021.	1,642,400
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
Promissary note for \$258,000 was issued in August 2017 with monthly payments of \$9,215 with a 0% interest rate. The final maturity of the note is March 2025.	175,071
Installment note for \$1,000,000 was issued in April 2020 with monthly payments ranging from \$92,000 to \$112,000 with a 2.71% interest rate. The final maturity of the note is March 2030.	1,000,000
Promissary 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.	152,413
Total outstanding installment notes payable	<u>\$ 25,933,214</u>

Of the original amount serviced by the County's governmental activities shown above, \$18,386,043 is considered to be school related debt.

See Note 14, Subsequent Events, for additional discussion regarding the \$1,000,000 installment note.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Installment Notes from Direct Borrowing (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2021	\$ 5,184,808	\$ 717,253	\$ 5,902,061
2022	2,521,209	499,505	3,020,714
2023	2,497,027	432,293	2,929,320
2024	2,471,863	346,947	2,818,810
2025	2,396,309	299,589	2,695,898
2026-2030	9,655,330	721,350	10,376,680
2031	1,206,668	28,055	1,234,723
Total	<u>\$ 25,933,214</u>	<u>\$ 3,044,992</u>	<u>\$ 28,978,206</u>

Financed Purchases

In 2018, the County entered into a financed purchase agreement for financing the acquisition of new emergency management service equipment. The agreement qualifies as a financed purchase for accounting purposes as the titles transfer at the end of the lease terms. As of June 30, 2020, the total outstanding principal amount is \$160,973.

In 2019, the County entered into a financed purchase agreement for financing the acquisition of new patrol cars for the Sheriff Department. The agreement qualifies as a financed purchase for accounting purposes as the titles transfer at the end of the lease terms. As of June 30, 2020, the total outstanding principal amount is \$81,000.

As of June 30, 2020, the County has \$768,650 of vehicles, machinery and equipment under financed purchase agreements with accumulated depreciation of \$296,771. The amortization expense for these assets is included in depreciation expense.

The debt service to maturity on the financed purchases is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2021	\$ 160,493	\$ 4,024	\$ 164,517
2022	81,480	2,037	83,517
Total	<u>\$ 241,973</u>	<u>\$ 6,061</u>	<u>\$ 248,034</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. 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, 2020, are as follows:

<i>Business-type activities</i>	<u>Balance as of June 30, 2020</u>
\$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%.	\$ 2,393,000
\$6,800,000 - 2009 Water bond, due in annual installments ranging from \$151,393 to \$359,500 through June 2049; interest at 4.125%.	5,968,000
\$1,916,000 - 2011 Water bond, due in annual installments ranging from \$62,2270 to \$89,495 through June 2050; interest at 2.79%.	1,676,000
\$1,700,000 - Installment note, due in semi-annual installments ranging from \$252,402 to \$13,572 through February 2022, interest at 2.15%.	291,747
\$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%.	5,219,968
Total outstanding installment notes payable	<u>\$ 15,548,715</u>

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,176,802	\$ 501,112	\$ 1,677,914
2022	1,125,960	469,316	1,595,276
2023	1,040,716	439,426	1,480,142
2024	1,068,115	410,147	1,478,262
2025	1,089,975	380,056	1,470,031
2026-2030	4,161,147	1,444,803	5,605,950
2031-2035	1,167,000	1,069,999	2,236,999
2036-2040	1,417,000	821,739	2,238,739
2041-2045	1,718,000	519,198	2,237,198
2046-2050	1,584,000	147,315	1,731,315
Total	<u>\$ 15,548,715</u>	<u>\$ 6,203,111</u>	<u>\$ 21,751,826</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds from Direct Placement

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

<i>Business-type activities</i>	Balance as of
<i>Water and Sewer Fund:</i>	June 30, 2020
\$2,687,000 Water revenue bond with annual payments ranging from \$46,000 to \$95,000 through June 2054 with an interest rate of 2.00%	\$ 2,405,000
Total outstanding revenue bonds from direct placement payable	<u>\$ 2,405,000</u>

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 50,000	\$ 48,100	\$ 98,100
2022	51,000	47,100	98,100
2023	52,000	46,080	98,080
2024	53,000	45,040	98,040
2025	54,000	43,980	97,980
2026-2030	288,000	203,240	491,240
2031-2035	318,000	173,240	491,240
2036-2040	351,000	140,160	491,160
2041-2045	387,000	103,660	490,660
2046-2050	428,000	63,320	491,320
2051-2054	373,000	18,780	391,780
Total	<u>\$ 2,405,000</u>	<u>\$ 932,700</u>	<u>\$ 3,337,700</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. 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 are as follows:

	<u>Principal</u>
Year Ending June 30,	
2021	\$ 118,746
2022	118,746
2023	118,746
2024	118,746
2025	118,746
2026-2030	593,730
2031-2035	376,336
Total	<u>\$ 1,563,796</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. The County reported a liability for closure and postclosure care of its three (3) landfills in the Solid Waste Fund of \$5,200,292. The County's construction and demolition landfill as well as the ash monofill landfill have been capped. As of June 30, 2020, the County has started construction on a secondary construction and demolition landfill. This second area is still in the construction phase but is currently accepting waste.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 is as follows:

Interfund payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Fund	Nonmajor governmental funds	\$ 53,252
		<u>\$ 53,252</u>

The CDBG Fund is in the process being closed out in the year ended June 30, 2020, as its project is completed. The fund is transferring its remaining funds to the Water Fund as its purpose was for water projects. The balance is expected to be repaid within the next fiscal year.

Interfund transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Water Fund	Nonmajor governmental funds	\$ 53,251
General Fund	Nonmajor governmental funds	200,000
		<u>\$ 253,251</u>
Nonmajor governmental funds	General Fund	\$ 10,000
Solid Waste Landfill Fund	General Fund	2,801
Water Fund	General Fund	4,897
		<u>\$ 17,698</u>
General Fund	Internal Service	<u>\$ 375,000</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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:

	LGERS	LEOSSA	RODSPF	Total
Net pension asset	\$ -	\$ -	\$ 67,993	\$ 67,993
Net pension liability	8,876,863	-	-	8,876,863
Total pension liability	-	1,919,745	-	1,919,745
Deferred outflows of resources related to pensions	5,123,347	289,242	15,188	5,427,777
Deferred inflows of resources related to pensions	59,411	69,315	3,279	132,005

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 Comprehensive Annual Financial Report (CAFR) for the state of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$1,925,482 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (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, 2020, the County reported a liability of \$8,876,863 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019, 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, 2019, the County's proportion was 0.32505%, which was a decrease of 0.00409% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$3,781,740. At June 30, 2020, 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	\$ 1,519,944	\$ -
Net difference between projected and actual earnings on pension plan investments	216,519	-
Changes in proportion and differences between County contributions and proportionate share of contributions	14,622	59,411
Changes in plan assumptions	1,446,780	-
County contributions subsequent to the measurement date	1,925,482	-
Total	<u>\$ 5,123,347</u>	<u>\$ 59,411</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

County contributions made subsequent to the measurement date of \$1,925,482, 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, 2021. 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:	
2021	\$ 1,567,527
2022	467,560
2023	854,804
2024	248,563
Total	<u>\$ 3,138,454</u>

Actuarial Assumptions. The total pension liability as of June 30, 2019, was determined by the December 31, 2018 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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 9. 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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 20,303,007	\$ 8,876,863	\$ (620,579)

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

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, 2018, the date of the most recent actuarial valuation the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Active plan members	<u>64</u>
Total	<u><u>73</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation
Discount rate	3.26 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 decreased to 3.26% due to a change in the Municipal Bond Rate. This represents a reduction from the discount rate used in the prior year of 3.64%.

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, 2018 valuation were based on the results of an actuarial experience study completed by the actuary for LGERS for the period January 1, 2010 through December 31, 2014.

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 \$108,862 as benefits came due for the reporting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2020, the County reported a total pension liability of \$1,919,745. The total pension liability was measured as of December 31, 2019, based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$170,991. At June 30, 2020, 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
Change in assumptions	\$ 92,851	\$ 55,845
Differences between expected and actual experience	144,892	13,470
County benefit payments made subsequent to the measurement date.	51,499	-
Total	<u>\$ 289,242</u>	<u>\$ 69,315</u>

An amount of \$51,499 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, 2021. 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	
2021	\$ 35,696
2022	35,696
2023	37,700
2024	29,640
2025	29,696
Total	<u>\$ 168,428</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2020, were as follows:

	<u>Total Pension Liability</u>
Balance at June 30, 2019	\$ 1,673,256
Service cost	76,333
Interest	58,962
Experience differences	166,499
Assumption changes	53,557
Benefit payments	(108,862)
Balance at June 30, 2020	<u>\$ 1,919,745</u>

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 3.26 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 2,072,022	\$ 1,919,745	\$ 1,784,812

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing 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 9. PENSION PLANS (CONTINUED)

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

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 \$3,269 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$67,993 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019, 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, 2019, the County's proportion was 0.34441%, which was a decrease of 0.07113% from its proportion measured as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2020, the County recognized pension expense of \$8,918. At June 30, 2020, 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	\$ -	\$ 3,279
Net difference between projected and actual earnings on pension plan investments	696	-
Changes in proportion and differences between County contributions and proportionate share of contributions	11,223	-
County contributions subsequent to the measurement date	3,269	-
Total	<u>\$ 15,188</u>	<u>\$ 3,279</u>

County contributions made subsequent to the measurement date of \$3,269 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2021	\$ 3,011
2022	4,116
2023	2,856
2024	<u>(1,343)</u>
Total	<u>\$ 8,640</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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, 2020, is 4.40%, including inflation.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit 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 9. PENSION PLANS (CONTINUED)

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

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.

The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 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 (2.75 percent) or one percentage point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (56,204)	\$ (67,993)	\$ (77,960)

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

NOTE 10. 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 North Carolina Local Governmental Employees' Retirement System (NCLGERS), 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 NCLGERS 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Membership. Membership of the PHCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Active participants	518
Retirees and beneficiaries currently receiving benefits	33
Total	<u>551</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, 2020, the County contributed \$860,232 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, 2019, as determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.50%
Healthcare Cost Trend Rate:	7.00% - 4.50%, Ultimate Trend in 2026 (Pre-Medicare) 5.00% - 4.50%, Ultimate Trend in 2021 (Medicare)
Inflation Rate:	2.50%
Salary increase:	3.50% to 7.35% (LEO) or 7.75% (other), including inflation
Participation rate:	20% to 100%, depending on length of service

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using scale MP-2015.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period 2010-2014, adopted by the LGERS Board.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.50%. This represents a reduction from the discount rate used in the prior year, 3.89%. 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 3.50% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2020, were as follows:

	Total OPEB Liability
Balances at 6/30/19	\$ 9,241,355
Changes for the year:	
Service cost	362,849
Interest	352,911
Differences between expected and actual experience	(458,977)
Assumption changes	179,730
Benefit payments	(341,447)
Net changes	95,066
Balances at 6/30/20	\$ 9,336,421

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.

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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 10,352,542	\$ 9,336,421	\$ 8,432,947

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 (6.0% decreasing to 4.0%) or 1-percentage-point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% to 4.0%)	Current (7.0% to 5.0%)	1% increase (8.0% to 6.0%)
Total OPEB liability	\$ 8,240,026	\$ 9,336,421	\$ 10,645,359

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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, 2020, and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$583,469. At June 30, 2020, 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	\$ 94,107	\$ 411,400
Changes in assumptions	158,128	570,414
Benefits paid subsequent to measurement period	<u>860,232</u>	<u>-</u>
Total	<u>\$ 1,112,467</u>	<u>\$ 981,814</u>

Benefits paid by the County subsequent to the measurement date of \$860,232 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, 2021. 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:	
2021	\$ (118,953)
2022	(118,953)
2023	(118,953)
2024	(118,953)
2025	(118,953)
Thereafter	<u>(134,814)</u>
Total	<u>\$ (729,579)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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 \$85,071,115 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, 2020	\$ 617,293	\$ 4,033,280	\$ 4,351,837	\$ 298,736
June 30, 2019	761,975	4,849,437	4,994,119	617,293

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

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.

Construction Commitments:

The County has no outstanding construction commitments as of June 30, 2020.

NOTE 12. 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 \$23,668 to the Council during the fiscal year ended June 30, 2020.

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, 2020, the County contributed \$1,428,378 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 13. 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, 2020, the County contributed \$10,204 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, 2020, 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.

NOTE 14. SUBSEQUENT EVENT

As discussed in Note 7, the County issued a note payable in the amount of \$1,000,000 for the purpose of an industrial expansion project. In September 2020, the nature of the project changed whereby the County was no longer responsible for any construction expenses and thus the Board of Commissioners voted to repay the \$1,000,000 installment note. While the original maturity of the note was scheduled for March 2030, the County has reported the entire balance as a current liability as the debt will be repaid during the fiscal year ended June 30, 2021.

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>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 362,849	\$ 377,728	\$ 412,915
Interest on total OPEB liability	352,911	321,917	275,655
Difference between expected and actual experience	(458,977)	(10,033)	148,293
Changes of assumptions and other inputs	179,730	(310,357)	(528,942)
Benefit payments	(341,447)	(357,883)	(488,196)
Net change in total OPEB liability	<u>95,066</u>	<u>21,372</u>	<u>(180,275)</u>
Total OPEB liability - beginning	<u>9,241,355</u>	<u>9,219,983</u>	<u>9,400,258</u>
Total OPEB liability - ending	<u><u>\$ 9,336,421</u></u>	<u><u>\$ 9,241,355</u></u>	<u><u>\$ 9,219,983</u></u>
Covered employee payroll	\$ 21,049,616	\$ 22,689,082	\$ 18,532,504
Total OPEB liability as a percentage of covered payroll	44.4%	40.7%	49.8%

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.

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

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2020	2019	2018	2017
County's proportion of the net pension liability (asset) (%)	0.32505%	0.32914%	0.33659%	0.34813%
County's proportion of the net pension liability (asset) (\$)	\$ 8,876,863	\$ 7,808,326	\$ 5,142,163	\$ 7,388,485
County's covered payroll	\$ 19,813,447	\$ 21,024,756	\$ 21,387,061	\$ 21,143,405
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	44.80%	37.14%	24.04%	34.94%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	91.63%	94.18%	91.47%
	2016	2015	2014	
County's proportion of the net pension liability (asset) (%)	0.34115%	0.33898%	0.34810%	
County's proportion of the net pension liability (asset) (\$)	\$ 1,531,061	\$ (1,999,122)	\$ 4,195,942	
County's covered payroll	\$ 20,409,317	\$ 20,433,406	\$ 19,174,991	
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.50%	(9.78%)	21.88%	
Plan fiduciary net position as a percentage of the total pension liability	98.09%	102.64%	94.35%	

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

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

HALIFAX COUNTY, NORTH CAROLINA

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

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2020	2019	2018	2017
Contractually required contribution	\$ 1,925,482	\$ 1,608,639	\$ 1,635,512	\$ 1,582,517
Contributions in relation to the contractually required contribution	1,925,482	1,608,639	1,635,512	1,582,517
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,395,077	\$ 19,813,447	\$ 21,024,756	\$ 21,387,061
Contributions as a percentage of covered payroll	8.60%	8.12%	7.78%	7.40%
	2016	2015	2014	
Contractually required contribution	\$ 1,429,886	\$ 1,439,526	\$ 1,438,766	
Contributions in relation to the contractually required contribution	1,429,886	1,439,526	1,438,766	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 21,143,405	\$ 20,409,317	\$ 20,433,406	
Contributions as a percentage of covered payroll	6.76%	7.05%	7.04%	

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2018
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	3.00%
Salary increases	3.50 – 8.10%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

HALIFAX COUNTY, NORTH CAROLINA**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
JUNE 30, 2020****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

	2020	2019	2018	2017
Beginning balance of the total pension liability	\$ 1,673,256	\$ 1,691,384	\$ 1,586,970	\$ 1,579,681
Service cost	76,333	83,804	69,552	77,159
Interest on the total pension liability	58,962	51,845	59,401	54,829
Difference between expected and actual experience	166,499	10,835	(27,504)	-
Changes of assumptions or other inputs	53,557	(63,187)	99,146	(36,966)
Benefit payments	(108,862)	(101,425)	(96,181)	(87,733)
Ending balance of the total pension liability	<u>\$ 1,919,745</u>	<u>\$ 1,673,256</u>	<u>\$ 1,691,384</u>	<u>\$ 1,586,970</u>

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

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL LAST FOUR FISCAL YEARS

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	2020	2019	2018	2017
Total pension liability	\$ 1,919,745	\$ 1,673,256	\$ 1,691,384	\$ 1,586,970
County's covered payroll	\$ 2,997,003	\$ 2,875,635	\$ 2,854,139	\$ 2,682,099
Total pension liability as a percentage of covered-employee payroll	64.06%	58.19%	59.26%	59.17%

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.

HALIFAX COUNTY, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) LAST SEVEN FISCAL YEARS*

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	2020	2019	2018	2017
County's proportion of the net pension asset (%)	0.34441%	0.41554%	0.42784%	0.42215%
County's proportion of the net pension liability (asset) (\$)	\$ (67,993)	\$ (68,826)	\$ (73,208)	\$ (78,925)
County's covered payroll	\$ 66,714	\$ 61,939	\$ 87,076	\$ 89,433
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-101.92%	-111.12%	-84.07%	-88.25%
Plan fiduciary net position as a percentage of the total pension liability	153.77%	153.77%	153.77%	160.17%
	2016	2015	2014	
County's proportion of the net pension asset (%)	0.43917%	0.42865%	0.40189%	
County's proportion of the net pension liability (asset) (\$)	\$ (101,773)	\$ (97,158)	\$ (85,844)	
County's covered payroll	\$ 84,819	\$ 84,385	\$ 81,119	
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-119.99%	-115.14%	-105.82%	
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%	

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

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

HALIFAX COUNTY, NORTH CAROLINA

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

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	2020	2019	2018	2017
Contractually required contribution	\$ 3,269	\$ 3,274	\$ 3,556	\$ 3,717
Contributions in relation to the contractually required contribution	3,269	3,274	3,556	3,717
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 67,891	\$ 66,714	\$ 61,939	\$ 87,076
Contributions as a percentage of covered payroll	4.82%	4.91%	5.74%	4.27%
	2016	2015	2014	
Contractually required contribution	\$ 3,449	\$ 3,514	\$ 3,500	
Contributions in relation to the contractually required contribution	3,449	3,514	3,500	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 89,433	\$ 84,819	\$ 84,385	
Contributions as a percentage of covered payroll	3.86%	4.14%	4.15%	

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2018
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	30
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	3.00%
Salary increases	3.50 – 7.75%, including inflation
Investment rate of return	3.75%, 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

COVID-19 Relief Fund – accounts for the CARES Act grant that was sent to the County in response to COVID-19

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.

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

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

CDBG Infrastructure Aeration System Project Fund – accounts for expenditures incurred on the project along with the federal and state funding received associated with the project costs

HALIFAX COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

ASSETS	Special Revenue Funds				
	Emergency Telephone System	Our Community Hospital Center	Weldon School District	Fire Districts	Roanoke Rapids School Graded District
Cash and cash equivalents	\$ 225,961	\$ 269	\$ 22,586	\$ 9,780	\$ 11,857
Taxes receivable	-	35,905	109,467	134,856	79,999
Accounts receivable	23,638	-	82,091	89,135	19,519
Due from other governments	7,738	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 257,337</u>	<u>\$ 36,174</u>	<u>\$ 214,144</u>	<u>\$ 233,771</u>	<u>\$ 111,375</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 39,250	\$ 269	\$ 104,677	\$ 98,915	\$ 31,376
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	<u>39,250</u>	<u>269</u>	<u>104,677</u>	<u>98,915</u>	<u>31,376</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - ad valorem	-	35,905	109,467	134,856	79,999
Total deferred inflows of resources	<u>-</u>	<u>35,905</u>	<u>109,467</u>	<u>134,856</u>	<u>79,999</u>
FUND BALANCES					
Nonspendable - prepaid items	-	-	-	-	-
Restricted:					
Stabilization by State Statute	31,376	-	-	-	-
Public safety	186,711	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Assigned:					
Economic and physical development	-	-	-	-	-
Total fund balances	<u>218,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 257,337</u>	<u>\$ 36,174</u>	<u>\$ 214,144</u>	<u>\$ 233,771</u>	<u>\$ 111,375</u>

(continued)

Special Revenue Funds		Capital Project Funds				Total Nonmajor Governmental Funds
Halifax County School District	COVID-19 Relief	Economic Development	RPO Peanut Belt Capital Project	4-H Recreation	CDBG Aeration Project	
\$ 13,075	\$ 1,032,446	\$ 1,700,823	\$ 83,722	\$ 4,000	\$ 53,252	\$ 3,157,771
108,113	-	-	-	-	-	468,340
127,771	-	400,000	31,094	-	-	773,248
-	823	12,835	63	-	-	21,459
-	-	-	200	-	-	200
<u>\$ 248,959</u>	<u>\$ 1,033,269</u>	<u>\$ 2,113,658</u>	<u>\$ 115,079</u>	<u>\$ 4,000</u>	<u>\$ 53,252</u>	<u>\$ 4,421,018</u>
\$ 140,846	\$ 22,054	\$ -	\$ 2,240	\$ -	\$ -	\$ 439,627
-	-	-	-	-	53,252	53,252
-	1,011,215	-	-	-	-	1,011,215
<u>140,846</u>	<u>1,033,269</u>	<u>-</u>	<u>2,240</u>	<u>-</u>	<u>53,252</u>	<u>1,504,094</u>
108,113	-	-	-	-	-	468,340
<u>108,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>468,340</u>
-	-	-	200	-	-	200
-	-	-	-	-	-	31,376
-	-	-	-	-	-	186,711
-	-	-	-	4,000	-	4,000
-	-	-	112,639	-	-	112,639
-	-	2,113,658	-	-	-	2,113,658
-	-	2,113,658	112,839	4,000	-	2,448,584
<u>\$ 248,959</u>	<u>\$ 1,033,269</u>	<u>\$ 2,113,658</u>	<u>\$ 115,079</u>	<u>\$ 4,000</u>	<u>\$ 53,252</u>	<u>\$ 4,421,018</u>

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				
	Emergency Telephone System	Our Community Hospital Center	Weldon School District	Fire Districts	Roanoke Rapids School Graded District
REVENUES					
Property taxes	\$ -	\$ 4,002	\$ 1,283,574	\$ 1,522,669	\$ 2,045,655
Sales tax	-	-	362,630	263,683	-
Other taxes	-	-	-	-	-
Intergovernmental revenues	284,095	-	-	-	-
Investment earnings	2,390	-	-	-	-
Total revenues	<u>286,485</u>	<u>4,002</u>	<u>1,646,204</u>	<u>1,786,352</u>	<u>2,045,655</u>
EXPENDITURES					
Public safety	385,363	-	-	1,786,352	-
Human services	-	4,002	-	-	-
Education	-	-	1,646,204	-	2,045,655
Culture and recreation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>385,363</u>	<u>4,002</u>	<u>1,646,204</u>	<u>1,786,352</u>	<u>2,045,655</u>
Excess (deficiency) of revenues over expenditures	(98,878)	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of installment note	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(98,878)	-	-	-	-
FUND BALANCES, beginning of year	<u>316,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 218,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Special Revenue Funds		Capital Project Funds					Total Nonmajor Governmental Funds
Halifax County School District	COVID-19 Relief	Economic Development	RPO Peanut Belt Capital Project	4-H Recreation	CDBG Aeration Project		
\$ 1,862,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,718,122	
-	-	-	-	-	-	626,313	
605,700	-	-	-	-	-	605,700	
-	52,464	400,000	69,869	-	-	806,428	
-	-	14	-	-	-	2,404	
2,467,922	52,464	400,014	69,869	-	-	8,758,967	
-	-	-	-	-	-	2,171,715	
-	52,464	-	-	-	-	56,466	
2,467,922	-	77,296	-	-	-	6,237,077	
-	-	-	-	6,000	-	6,000	
-	-	567,197	54,093	-	-	621,290	
-	-	42,183	-	-	-	42,183	
2,467,922	52,464	686,676	54,093	6,000	-	9,134,731	
-	-	(286,662)	15,776	(6,000)	-	(375,764)	
-	-	-	-	10,000	-	10,000	
-	-	(200,000)	-	-	(53,251)	(253,251)	
-	-	1,000,000	-	-	-	1,000,000	
-	-	800,000	-	10,000	(53,251)	756,749	
-	-	513,338	15,776	4,000	(53,251)	380,985	
-	-	1,600,320	97,063	-	53,251	2,067,599	
\$ -	\$ -	\$ 2,113,658	\$ 112,839	\$ 4,000	\$ -	\$ 2,448,584	

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Ad valorem taxes:				
Taxes	\$ 27,993,000	\$ 27,993,000	\$ 28,600,392	\$ 607,392
Tax penalties and interest	195,000	195,000	185,556	(9,444)
Total ad valorem taxes	28,188,000	28,188,000	28,785,948	597,948
Other taxes and licenses:				
Local option sales tax	9,200,000	9,200,000	9,650,774	450,774
Cable franchise tax	85,000	85,000	78,292	(6,708)
	9,285,000	9,285,000	9,729,066	444,066
Unrestricted intergovernmental revenues:				
Fines and forfeitures	175,000	175,000	148,142	(26,858)
Beer and wine tax	125,000	125,000	127,466	2,466
Total unrestricted intergovernmental revenues	300,000	300,000	275,608	(24,392)
Restricted intergovernmental revenues:				
Federal and State grants	711,020	1,477,425	1,243,972	(233,453)
North Carolina ADM allocation	200,000	200,000	200,000	-
Lottery proceeds	-	500,000	455,771	(44,229)
Halifax ABC revenue	167,000	186,202	215,083	28,881
Total restricted intergovernmental revenues	1,078,020	2,363,627	2,114,826	(248,801)
Permits and fees:				
Facility fees	65,000	65,000	53,356	(11,644)
Building inspection fees	150,000	150,000	197,822	47,822
Register of deeds fees	278,500	278,500	307,592	29,092
Other fees and rents	1,580,041	1,642,313	1,516,078	(126,235)
Total permits and fees	2,073,541	2,135,813	2,074,848	(60,965)
Sales and Services:				
Occupancy tax administration	800,000	800,000	828,734	28,734
Jail fees	62,000	62,000	78,561	16,561
Central communications	523,347	523,347	523,347	-
Other sales and services	3,650	3,650	3,613	(37)
Total sales and services revenues	1,388,997	1,388,997	1,434,255	45,258
Investment earnings	300,000	381,000	199,323	(181,677)
Miscellaneous revenues:	286,060	865,887	1,179,636	313,749
Total revenues	42,899,618	44,908,324	45,793,510	885,186

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
General government:				
Governing body				
Salaries and employee benefits	\$ 112,448	\$ 974,866	\$ 1,039,713	\$ (64,847)
Operating expenditures	78,086	95,333	88,146	7,187
Total	190,534	1,070,199	1,127,859	(57,660)
Administration				
Salaries and employee benefits	557,623	568,617	550,158	18,459
Operating expenditures	58,016	54,850	24,856	29,994
Total	615,639	623,467	575,014	48,453
Human resources				
Salaries and employee benefits	235,109	239,344	220,300	19,044
Operating expenditures	18,613	18,327	17,527	800
Total	253,722	257,671	237,827	19,844
Finance				
Salaries and employee benefits	500,014	501,955	501,952	3
Operating expenditures	30,185	31,512	25,317	6,195
Total	530,199	533,467	527,269	6,198
Tax administration				
Salaries and employee benefits	1,106,158	1,109,532	1,023,607	85,925
Operating expenditures	314,912	341,187	188,108	153,079
Total	1,421,070	1,450,719	1,211,715	239,004
Tax revaluation				
Salaries and employee benefits	-	131,421	128,167	3,254
Operating expenditures	-	103,635	53,190	50,445
Total	-	235,056	181,357	53,699
Legal				
Salaries and employee benefits	246,595	247,812	247,811	1
Operating expenditures	29,216	47,188	29,450	17,738
Total	275,811	295,000	277,261	17,739
Elections				
Salaries and employee benefits	182,305	182,379	158,473	23,906
Operating expenditures	115,043	110,142	95,311	14,831
Total	297,348	292,521	253,784	38,737

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
General government (continued):				
Register of deeds				
Salaries and employee benefits	\$ 321,414	\$ 321,414	\$ 318,555	\$ 2,859
Operating expenditures	88,491	113,939	82,122	31,817
Total	409,905	435,353	400,677	34,676
Information technology services				
Salaries and employee benefits	272,529	272,529	208,795	63,734
Operating expenditures	508,673	507,006	231,258	275,748
Capital outlay	35,000	45,013	35,197	9,816
Total	816,202	824,548	475,250	349,298
Maintenance and repairs - public buildings				
Operating expenditures	365,158	477,946	392,428	85,518
Capital outlay	100,000	207,795	88,027	119,768
Total	465,158	685,741	480,455	205,286
Operations				
Salaries and employee benefits	917,185	917,321	859,876	57,445
Operating expenditures	118,984	123,225	73,465	49,760
Total	1,036,169	1,040,546	933,341	107,205
Non-departmental expenditures				
Operating expenditures	2,024,820	2,008,095	1,635,703	372,392
Other general government				
Agriculture complex	34,790	34,790	29,795	4,995
Amphitheater	2,200	2,200	-	2,200
CADA	10,000	10,000	10,000	-
Community corrections building	16,802	16,802	14,134	2,668
Court service	91,420	93,595	82,655	10,940
Criminal justice building	10,679	10,679	10,051	628
CTPA	10,000	10,000	10,000	-
Fuel center	7,593	7,593	1,888	5,705
Historic Courthouse	71,131	124,023	78,784	45,239
Judicial services	17,219	17,219	9,539	7,680
Klausner Lumner 2 Bankruptcy	-	500,000	42,813	457,187
Magistrates	7,940	7,940	7,940	-
Permits and inspections	7,932	7,932	5,889	2,043
Public buildings	11,090	11,090	8,771	2,319
Rural life complex	17,400	17,400	13,651	3,749
Veterans HRM	-	200	200	-
Total	316,196	871,463	326,110	545,353
Total general government:	8,652,773	10,623,846	8,643,622	1,980,224

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Public safety:				
Sheriff				
Salaries and employee benefits	\$ 4,699,065	\$ 4,638,922	\$ 4,559,034	\$ 79,888
Operating expenditures	804,547	951,141	817,216	133,925
Capital outlay	23,875	186,288	23,875	162,413
Total	5,527,487	5,776,351	5,400,125	376,226
Jail				
Salaries and employee benefits	1,637,011	1,558,639	1,447,479	111,160
Operating expenditures	1,427,042	1,351,783	1,096,500	255,283
Capital outlay	81,163	81,163	-	81,163
Total	3,145,216	2,991,585	2,543,979	447,606
Emergency management				
Salaries and employee benefits	81,442	82,550	82,174	376
Operating expenditures	20,087	28,799	16,654	12,145
Capital outlay	-	55,000	40,375	14,625
Total	101,529	166,349	139,203	27,146
Central communications				
Salaries and employee benefits	1,270,084	1,252,703	1,127,054	125,649
Operating expenditures	128,334	147,675	88,515	59,160
Total	1,398,418	1,400,378	1,215,569	184,809
Planning & inspections				
Salaries and employee benefits	396,086	396,086	390,303	5,783
Operating expenditures	51,163	50,355	32,484	17,871
Total	447,249	446,441	422,787	23,654
Planning board				
Salaries and employee benefits	3,175	3,175	644	2,531
Board of adjustment				
Salaries and employee benefits	3,573	3,573	1,398	2,175
Fire department allocations				
Fire departments and rescue squads	79,000	79,000	79,000	-
Other public safety				
Bulletproof vest	-	9,473	3,101	6,372
Controlled substance	32,000	32,000	7,500	24,500
Coroner	60,000	71,100	71,100	-
Drug enforcement	200	200	-	200
Drug task force	4,000	9,000	5,000	4,000
DTF - federal asset	5,000	5,000	-	5,000
DTF- controlled substance	9,000	7,600	5,720	1,880
Emergency management supplement	-	88,355	22,305	66,050
Federal asset forfeiture	100,000	100,000	58,300	41,700
Halifax helps	200	200	-	200
Outside allocations	20,000	20,000	20,000	-
Planning hazard mitigation	-	130,652	850	129,802
Tier II LEPC grant	-	1,971	734	1,237
Viper radios	-	24,000	24,000	-
Total	230,400	499,551	218,610	280,941
Total public safety	10,936,047	11,366,403	10,021,315	1,345,088

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Economic and physical development:				
Development communications				
Salaries and employee benefits	\$ 212,295	\$ 212,295	\$ 190,461	\$ 21,834
Operating expenditures	92,659	94,574	79,156	15,418
Total	304,954	306,869	269,617	37,252
Tourism				
Salaries and employee benefits	3,600	3,600	3,600	-
Co-Op/Farmers' market				
Salaries and employee benefits	2,854	3,142	2,451	691
Operating expenditures	1,646	3,410	2,473	937
Total	4,500	6,552	4,924	1,628
Co-Op extension				
Salaries and employee benefits	245,671	245,589	238,034	7,555
Operating expenditures	39,018	39,076	36,271	2,805
Total	284,689	284,665	274,305	10,360
Rural life				
Salaries and employee benefits	43,883	45,251	45,251	-
Operating expenditures	28,563	29,682	29,667	15
Total	72,446	74,933	74,918	15
Natural Resources				
Salaries and employee benefits	173,938	173,938	159,613	14,325
Operating expenditures	8,174	11,093	10,185	908
Total	182,112	185,031	169,798	15,233
Other economic and physical development				
4-H account	1,500	18,848	7,255	11,593
AgCar farm grant	-	4,000	-	4,000
County extension	1,000	20,983	4,158	16,825
Co-Op round-up grant	-	719	-	719
CREP	-	37,422	36,167	1,255
Economic development incentives	-	280,000	280,000	-
Extension agent	800	28,018	2,669	25,349
Farm and ranchlands	-	14,632	2,632	12,000
Forestry	100,000	100,000	100,000	-
Halifax helps	-	292	224	68
Halifax helps FY18	-	2,000	280	1,720
Market based conservation	-	10,725	-	10,725
Monsanto grant	-	650	-	650
No till	-	7,910	1,414	6,496
NRCS equipment II	-	26,542	-	26,542
NRCS soil health	-	45,270	878	44,392
Outside allocations	27,500	27,500	7,338	20,162
RV Chamber of Commerce	41,650	41,900	41,900	-
Soil health	-	5,218	1,323	3,895
Total	172,450	672,629	486,238	186,391
Total economic and physical development	1,024,751	1,534,279	1,283,400	250,879

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Human services:				
Elderly transportation				
Operating expenditures	\$ -	\$ 209,168	\$ 194,150	\$ 15,018
Total	-	209,168	194,150	15,018
Operation Restart - restitution				
Salaries and employee benefits	62,025	68,281	68,281	-
Operating expenditures	18,150	23,710	23,710	-
Total	80,175	91,991	91,991	-
Operation restart				
Salaries and employee benefits	94,721	78,581	78,581	-
Operating expenditures	12,950	17,896	17,896	-
Total	107,671	96,477	96,477	-
Student incentive				
Salaries and employee benefits	80,888	81,566	75,938	5,628
Operating expenditures	9,900	16,767	16,380	387
Total	90,788	98,333	92,318	6,015
Other human services				
Aging	75,811	75,926	59,172	16,754
Aging family caregiver	-	225	156	69
Aging block grant	-	62,696	12,266	50,430
Aging MIPPA	-	2,540	-	2,540
Council on aging	16,575	23,683	22,232	1,451
Council on aging donations - MoW	-	1,192	469	723
Home and community care block grant	292,174	386,114	360,479	25,635
JCPC advisory board	-	4,366	4,366	-
JCPC grant	-	38,298	38,298	-
Mental health	42,000	43,876	50,995	(7,119)
Outside allocations	400	400	116	284
SHIIP	-	5,592	1,977	3,615
Senior health insurance grant	-	7,227	6,015	1,212
Veterans office	60,412	62,519	60,011	2,508
Total	487,372	714,654	616,552	98,102
Total human services	766,006	1,210,623	1,091,488	119,135

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Cultural and recreational:				
Library				
Salaries and employee benefits	\$ 533,858	\$ 525,095	\$ 502,622	\$ 22,473
Operating expenditures	126,587	148,805	137,786	11,019
Capital outlay	-	10,000	9,064	936
Total	660,445	683,900	649,472	34,428
Other cultural and recreational				
Adult literacy	-	2,540	-	2,540
Amphitheater	-	7,156	-	7,156
Halifax helps	-	4,500	4,185	315
LSTA grant	-	2,430	2,427	3
Outside allocations	1,000	1,000	1,000	-
Total	1,000	17,626	7,612	10,014
Total cultural and recreational	661,445	701,526	657,084	44,442
Education				
Public school - current expenditures	5,612,231	5,629,556	5,659,736	(30,180)
Public school - capital outlay	1,092,106	1,092,106	1,090,775	1,331
Community college - current expenditures	1,187,851	1,187,851	1,187,851	-
Community college - capital outlay	255,027	255,027	255,027	-
ADM - public school building fund	-	688,491	451,560	236,931
Total education	8,147,215	8,853,031	8,644,949	208,082
Debt Service				
Principal	2,762,133	2,843,133	2,602,561	240,572
Interest	755,834	755,834	740,971	14,863
Total debt service	3,517,967	3,598,967	3,343,532	255,435
Total expenditures	33,706,204	37,888,675	33,685,390	4,203,285
Excess of revenues over expenditures	9,193,414	7,019,649	12,108,120	5,088,471
Other financing sources (uses)				
Issuance of installment note	-	152,413	152,413	-
Transfers in	1,380,071	5,470,642	5,470,642	-
Transfers out	(11,992,187)	(12,047,016)	(12,047,016)	-
Appropriated fund balance	1,418,702	(595,688)	-	595,688
Total other financing sources (uses)	(9,193,414)	(7,019,649)	(6,423,961)	595,688
Net change in fund balances	\$ -	\$ -	5,684,159	\$ 5,684,159
Net change in fund balance from consolidated funds:				
Public health department			1,306,878	
Social services department			1,462,944	
Emergency services management department			(38,074)	
Reassessment fund			5,923	
911 backup project			(3,612,764)	
Jail expansion project			(304,000)	
General Fund, net change in fund balance			<u>\$ 4,505,066</u>	

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 4,297,683	\$ 4,589,169	\$ 3,461,407	\$ (1,127,762)
Sales and services	-	-	11,555	11,555
Permits and fees	-	-	27,607	27,607
Miscellaneous revenue	5,239	5,239	106,094	100,855
Total revenues	4,302,922	4,594,408	3,606,663	(987,745)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	513,846	246,608	229,857	16,751
Operating expenditures	143,707	176,095	87,905	88,190
Total	657,553	422,703	317,762	104,941
Animal control:				
Salaries and employee benefits	236,833	237,051	233,842	3,209
Operating expenditures	62,400	66,557	52,634	13,923
Capital outlay	13,000	9,600	-	9,600
Total	312,233	313,208	286,476	26,732
AIDS control:				
Salaries and employee benefits	307,710	309,009	221,931	87,078
Operating expenditures	39,600	39,600	7,933	31,667
Total	347,310	348,609	229,864	118,745
Tuberculosis control:				
Salaries and employee benefits	75,222	127,603	124,126	3,477
Operating expenditures	37,750	34,669	16,600	18,069
Total	112,972	162,272	140,726	21,546
Communicable disease:				
Salaries and employee benefits	93,265	93,590	89,598	3,992
Operating expenditures	5,200	5,200	4,400	800
Total	98,465	98,790	93,998	4,792
Home health:				
Salaries and employee benefits	705,321	649,279	82,611	566,668
Operating expenditures	438,500	438,500	36,041	402,459
Total	1,143,821	1,087,779	118,652	969,127
Hospice:				
Salaries and employee benefits	246,241	247,053	26,866	220,187
Operating expenditures	97,894	97,894	19,537	78,357
Total	344,135	344,947	46,403	298,544
Adult health/diabetes:				
Salaries and employee benefits	292,233	223,200	36,108	187,092
Operating expenditures	61,500	141,500	31,298	110,202
Total	353,733	364,700	67,406	297,294

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued):				
Maternity:				
Salaries and employee benefits	\$ 252,603	\$ 229,833	\$ 210,357	\$ 19,476
Operating expenditures	92,100	82,987	72,312	10,675
Capital outlay	-	6,288	4,338	1,950
Total	344,703	319,108	287,007	32,101
Family planning:				
Salaries and employee benefits	500,109	498,298	393,509	104,789
Operating expenditures	134,038	130,433	103,691	26,742
Total	634,147	628,731	497,200	131,531
Child services coordinator:				
Salaries and employee benefits	134,800	135,450	120,874	14,576
Operating expenditures	19,800	19,800	5,148	14,652
Total	154,600	155,250	126,022	29,228
Child health:				
Salaries and employee benefits	210,606	260,083	257,970	2,113
Operating expenditures	175,673	127,623	66,117	61,506
Capital outlay	-	4,500	3,525	975
Total	386,279	392,206	327,612	64,594
Environmental health:				
Salaries and employee benefits	428,334	598,121	478,140	119,981
Operating expenditures	20,210	17,147	9,535	7,612
Total	448,544	615,268	487,675	127,593
Other human services:				
Babies easy safe sleep training program	63,500	63,500	63,500	-
Baby love plus	140,500	201,815	153,431	48,384
Bioterrorism	42,602	42,602	35,283	7,319
CARES grant	-	113,253	113,253	-
Capital outlay - miscellaneous	3,000	7,563	4,443	3,120
Catch grant	207,711	208,036	17,616	190,420
Child health - BESST AA	65,890	83,338	65,941	17,397
Diabetes	-	16,082	16,082	-
Folic acid grant	175,072	222,407	157,974	64,433
Health community program	37,597	37,597	35,556	2,041
Health working and wellness	37,728	40,891	38,476	2,415
Immunization action plan	96,726	97,376	72,746	24,630

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued):				
Other human services (continued):				
Minority Diabetes Prevention	\$ 100	\$ 12,340	\$ 12,340	\$ -
Ready Set Baby	36,487	36,487	35,263	1,224
RR SNFI school nurse	150,000	150,000	150,000	-
Serve safe	4,000	5,338	2,011	3,327
Smart start	15,036	15,111	14,623	488
Triple P	392,575	393,225	388,273	4,952
Weldon SNFI school nurse	100,000	100,000	100,000	-
WIC - administration	10,159	10,638	10,638	-
WIC - breastfeeding	22,899	21,997	21,143	854
WIC - client services	213,086	227,585	227,197	388
WIC - nutrition ed	62,531	67,854	67,023	831
Total other	<u>1,877,199</u>	<u>2,175,035</u>	<u>1,802,812</u>	<u>372,223</u>
Total human services	<u>7,215,694</u>	<u>7,428,606</u>	<u>4,829,615</u>	<u>2,598,991</u>
Deficiency of revenues over expenditures	(2,912,772)	(2,834,198)	(1,222,952)	1,611,246
Other financing sources (uses)				
Transfers in	2,823,835	2,844,409	2,529,830	(314,579)
Appropriated fund balance	88,937	(10,211)	-	10,211
Total other financing sources (uses)	<u>2,912,772</u>	<u>2,834,198</u>	<u>2,529,830</u>	<u>(304,368)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,306,878</u>	<u>\$ 1,306,878</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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 10,636,783	\$ 10,814,387	\$ 8,509,752	\$ (2,304,635)
Permits and fees	-	2,500	6,416	3,916
Miscellaneous	-	7,731	8,251	520
Total revenues	10,636,783	10,824,618	8,524,419	(2,300,199)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	9,944,591	9,955,020	9,187,510	767,510
Operating expenditures	1,133,670	1,159,697	737,145	422,552
Capital outlay	-	31,240	31,042	198
Total	11,078,261	11,145,957	9,955,697	1,190,260
Other human services:				
4D-purchase	-	498,543	43,975	454,568
Adoption promotion	-	2,473	806	1,667
Adoptive assistance	66,222	66,222	53,841	12,381
Aid to the blind	7,406	7,538	7,538	-
CBA for foster care	358,000	368,000	348,803	19,197
Chore services	11,629	11,629	11,080	549
CP&L energy	5,239	6,714	4,064	2,650
Crisis intervention	422,561	543,982	543,982	-
Daycare	2,140,054	2,140,054	36,092	2,103,962
Family planning	10,000	10,000	6,663	3,337
Family reunification	10,921	10,921	3,125	7,796
Fees and refunds	-	42,485	5,114	37,371
Home and community care block grant	284,123	269,522	264,483	5,039
LIEAP program	422,561	482,245	482,131	114
Medicaid	265,000	264,868	198,710	66,158
Purchased services	66,000	66,000	32,706	33,294
SAFE kids	-	2,879	-	2,879
Shift NC program	18,000	47,273	26,884	20,389
Social services to the aged	650,000	650,000	468,561	181,439
Special foster care	25,000	25,000	4,445	20,555
Work first	265,115	265,116	50,705	214,411
Total	5,027,831	5,781,464	2,593,708	3,187,756
Total human services	16,106,092	16,927,421	12,549,405	4,378,016
Deficiency of revenues over expenditures	(5,469,309)	(6,102,803)	(4,024,986)	2,077,817
Other financing uses				
Transfers in	5,469,309	5,498,035	5,487,930	(10,105)
Appropriated fund balance	-	604,768	-	(604,768)
Total other financing sources (uses)	5,469,309	6,102,803	5,487,930	(614,873)
Net change in fund balances	\$ -	\$ -	\$ 1,462,944	\$ 1,462,944

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 400,000	\$ 423,059	\$ 789,863	\$ 366,804
Sales and services	2,564,773	2,678,773	2,195,025	(483,748)
Miscellaneous revenue	-	116,708	139,960	23,252
Total revenues	2,964,773	3,218,540	3,124,848	(93,692)
Expenditures:				
Public Safety:				
Salaries and employee benefits	4,631,455	4,745,455	4,802,035	(56,580)
Operating expenditures	901,076	924,924	865,973	58,951
Capital outlay	285,000	407,471	355,225	52,246
Total	5,817,531	6,077,850	6,023,233	54,617
Debt Service:				
Principal	77,554	83,518	83,517	1
Interest	5,964	-	-	-
Total	83,518	83,518	83,517	1
Total expenditures	5,901,049	6,161,368	6,106,750	54,618
Deficiency of revenues over expenditures	(2,936,276)	(2,942,828)	(2,981,902)	(39,074)
Other financing sources (uses)				
Transfers in	2,936,276	2,943,828	2,943,828	-
Appropriated fund balance	-	(1,000)	-	1,000
Total other financing sources	2,936,276	2,942,828	2,943,828	1,000
Net change in fund balances	\$ -	\$ -	\$ (38,074)	\$ (38,074)

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 7,400	\$ 7,400
Expenditures:				
General government:				
Operating expenditures	50,000	50,000	-	50,000
Excess (deficiency) of revenues over expenditures	(50,000)	(50,000)	7,400	57,400
Other financing sources				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	(51,477)	(51,477)	-
Appropriation of fund balance	-	51,477	-	(51,477)
Total other financing sources	50,000	50,000	(1,477)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,923</u>	<u>\$ 57,400</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - 911 BACKUP PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) PROJECT LIFE AS OF JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
EXPENDITURES				
Public Safety:				
Administration	\$ 17,200	\$ 17,200	\$ -	\$ 17,200
Design fees	190	190	-	190
Total expenditures	17,390	17,390	-	17,390
Deficiency of revenues over expenditures	(17,390)	(17,390)	-	(17,390)
OTHER FINANCING SOURCES				
Transfers in	17,390	3,630,154	-	3,630,154
Transfers out	(3,612,764)	-	(3,612,764)	(3,612,764)
Appropriation of fund balance	3,612,764	-	-	-
Total expenditures	17,390	3,630,154	(3,612,764)	17,390
Net change in fund balance	\$ -	\$ 3,612,764	(3,612,764)	\$ -
FUND BALANCE, beginning of year			3,612,764	
FUND BALANCE, end of year			\$ -	

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - JAIL EXPANSION PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) PROJECT LIFE AS OF JUNE 30, 2020

	Project Authorization	Actual		
		Prior Years	Current Year	Total
EXPENDITURES				
Public Safety:				
Construction	\$ 45,336	\$ -	\$ 45,336	\$ 45,336
Administration	182,750	-	1,043	1,043
Training	42,500	-	-	-
Design fees	79,950	36,000	43,950	79,950
Contingency	164	-	-	-
Total expenditures	350,700	36,000	90,329	126,329
OTHER FINANCING SOURCES (USES)				
Transfers in	350,700	340,000	10,700	350,700
Transfers out	(224,371)	-	(224,371)	(224,371)
Appropriation of fund balance	224,371	-	-	-
Total other financing sources (uses)	350,700	340,000	(213,671)	126,329
Net change in fund balance	\$ -	\$ 304,000	(304,000)	\$ -
FUND BALANCE, beginning of year			304,000	
FUND BALANCE, end of year			\$ -	

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, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Restricted intergovernmental - wireless funding	\$ 314,530	\$ 314,530	\$ 284,095	\$ (30,435)
Investment earnings	-	-	2,390	2,390
Total revenues	314,530	314,530	286,485	(28,045)
EXPENDITURES				
Public safety	314,530	498,031	385,363	112,668
Total expenditures	314,530	498,031	385,363	112,668
Excess (deficiency) of revenues over expenditures	-	(183,501)	(98,878)	84,623
OTHER FINANCING SOURCES				
Appropriated fund balance	-	183,501	-	(183,501)
Total other financing sources	-	183,501	-	(183,501)
Net change in fund balances	-	-	(98,878)	(98,878)
FUND BALANCE, beginning of year	316,965	316,965	316,965	-
FUND BALANCE, end of year	<u>\$ 316,965</u>	<u>\$ 316,965</u>	<u>\$ 218,087</u>	<u>\$ (98,878)</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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 10,000	\$ 10,015	\$ 4,002	\$ (6,013)
Total revenues	10,000	10,015	4,002	(6,013)
EXPENDITURES				
Human services	10,000	10,015	4,002	6,013
Total expenditures	10,000	10,015	4,002	6,013
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

**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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,206,000	\$ 1,283,574	\$ 1,283,574	\$ -
Sales taxes	324,000	353,930	362,630	8,700
Total revenues	1,530,000	1,637,504	1,646,204	8,700
EXPENDITURES				
Education	1,530,000	1,637,504	1,646,204	(8,700)
Total expenditures	1,530,000	1,637,504	1,646,204	(8,700)
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
LOCAL FIRE DISTRICTS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 1,377,115	\$ 1,523,763	\$ 1,522,669	\$ (1,094)
Other taxes and licenses	254,150	258,450	263,683	5,233
Total revenues	<u>1,631,265</u>	<u>1,782,213</u>	<u>1,786,352</u>	<u>4,139</u>
EXPENDITURES				
Public safety	<u>1,631,265</u>	<u>1,782,213</u>	<u>1,786,352</u>	<u>(4,139)</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
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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 2,027,500	\$ 2,045,655	\$ 2,045,655	\$ -
Total revenues	2,027,500	2,045,655	2,045,655	-
EXPENDITURES				
Education	2,027,500	2,045,655	2,045,655	-
Total expenditures	2,027,500	2,045,655	2,045,655	-
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

**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, 2020**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 1,723,000	\$ 1,862,222	\$ 1,862,222	\$ -
Other taxes and licenses	525,000	593,654	605,700	12,046
Total revenues	<u>2,248,000</u>	<u>2,455,876</u>	<u>2,467,922</u>	<u>12,046</u>
EXPENDITURES				
Education	<u>2,248,000</u>	<u>2,455,876</u>	<u>2,467,922</u>	<u>(12,046)</u>
Total expenditures	<u>2,248,000</u>	<u>2,455,876</u>	<u>2,467,922</u>	<u>(12,046)</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
COVID-19 RELIEF FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental restricted	\$ 1,063,679	\$ 1,063,679	\$ 52,464	\$ (1,011,215)
Total revenues	<u>1,063,679</u>	<u>1,063,679</u>	<u>52,464</u>	<u>(1,011,215)</u>
EXPENDITURES				
Human services	844,519	844,519	52,464	792,055
Intergovernmental	<u>219,160</u>	<u>219,160</u>	-	<u>219,160</u>
Total expenditures	<u>1,063,679</u>	<u>1,063,679</u>	<u>52,464</u>	<u>1,011,215</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
ECONOMIC DEVELOPMENT FUND - MANNING ELEMENTARY SCHOOL PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Investment earnings	\$ -	\$ 1,772	\$ -	\$ 1,772
Total revenues	-	1,772	-	1,772
EXPENDITURES				
Education:				
Construction	17,875,245	17,627,501	77,296	17,704,797
Administration	200,000	-	-	-
Legal fees	100,000	85,599	-	85,599
Design fees	1,251,355	1,189,448	-	1,189,448
Total expenditures	19,426,600	18,902,548	77,296	18,979,844
Deficiency of revenues over expenditures	(19,426,600)	(18,900,776)	(77,296)	(18,978,072)
OTHER FINANCING SOURCES				
Appropriation of fund balance	326,600	-	-	-
Proceeds from bond issuance	18,100,000	18,100,000	-	18,100,000
Transfers in	1,000,000	1,000,000	-	1,000,000
Total expenditures	19,426,600	19,100,000	-	19,100,000
Net change in fund balance	\$ -	\$ 199,224	(77,296)	\$ 121,928
FUND BALANCE, beginning of year			199,224	
FUND BALANCE, end of year			\$ 121,928	

HALIFAX COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND - JBB PACKAGING

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)**
PROJECT LIFE AS OF JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental:				
NC Department of Transportation	\$ 600,000	\$ -	\$ 400,000	\$ 400,000
JBB Packaging	3,480	-	-	-
Total revenues	<u>603,480</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
EXPENDITURES				
Economic Development				
Construction	529,220	-	513,597	513,597
Engineering	74,260	15,060	53,600	68,660
Total expenditures	<u>603,480</u>	<u>15,060</u>	<u>567,197</u>	<u>582,257</u>
Deficiency of revenues over expenditures	-	(15,060)	(167,197)	(182,257)
OTHER FINANCING SOURCES				
Transfers in	600,000	600,000	-	600,000
Appropriation of fund balance	(600,000)	-	-	-
Total expenditures	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 584,940</u>	<u>(167,197)</u>	<u>\$ 417,743</u>
FUND BALANCE, beginning of year			<u>584,940</u>	
FUND BALANCE, end of year			<u>\$ 417,743</u>	

HALIFAX COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND - KLAUSNER LUMBER TWO PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROJECT LIFE AS OF JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental:				
NC Department of Commerce	\$ 1,201,960	\$ 1,000,000	\$ -	\$ 1,000,000
NC Department of Transportation	1,150,000	1,328,360	-	1,328,360
US Department of Commerce	1,253,208	1,253,208	-	1,253,208
NC Rural Development Center	872,000	872,000	-	872,000
Contributions	1,524,470	1,405,688	-	1,405,688
Total revenues	<u>6,001,638</u>	<u>5,859,256</u>	<u>-</u>	<u>5,859,256</u>
EXPENDITURES				
Economic and physical development:				
Site preparation	6,893,932	6,728,638	-	6,728,638
Road construction	1,225,021	1,220,241	-	1,220,241
Administration	678,830	678,218	-	678,218
Sewer Line	505,200	485,279	-	485,279
Rail Spur	2,598,850	2,598,850	-	2,598,850
Contingency	199,993	-	-	-
Total expenditures	<u>12,101,826</u>	<u>11,711,226</u>	<u>-</u>	<u>11,711,226</u>
Deficiency of revenues over expenditures	(6,100,188)	(5,851,970)	-	(5,851,970)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,100,188	6,144,807	-	6,144,807
Transfers out	-	(92,837)	(200,000)	(292,837)
Total other financing sources (uses)	<u>6,100,188</u>	<u>6,051,970</u>	<u>(200,000)</u>	<u>5,851,970</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 200,000</u>	<u>(200,000)</u>	<u>\$ -</u>
FUND BALANCE, beginning of year			<u>200,000</u>	
FUND BALANCE, end of year			<u>\$ -</u>	

HALIFAX COUNTY, NORTH CAROLINA
ECONOMIC DEVELOPMENT FUND - PROJECT FREEBIRD

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)**
PROJECT LIFE AS OF JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental:				
NC Department of Commerce	\$ 600,000	\$ -	\$ -	\$ -
US Department of Commerce	1,181,855	606,963	-	606,963
Contributions	88,490	-	-	-
Total revenues	<u>1,870,345</u>	<u>606,963</u>	<u>-</u>	<u>606,963</u>
EXPENDITURES				
Economic development:				
Construction	1,589,850	795,812	-	795,812
Administration	108,187	25,000	-	25,000
Engineering	128,360	79,750	-	79,750
Construction administration and observation	86,350	54,130	-	54,130
Contingency	91,478	-	-	-
Total expenditures	<u>2,004,225</u>	<u>954,692</u>	<u>-</u>	<u>954,692</u>
Deficiency of revenues over expenditures	(133,880)	(347,729)	-	(347,729)
OTHER FINANCING SOURCES (USES)				
Transfers in	963,885	963,885	-	963,885
Appropriate reserves to fund balance	(830,005)	-	-	-
Total other financing sources (uses)	<u>133,880</u>	<u>963,885</u>	<u>-</u>	<u>963,885</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 616,156</u>	<u>-</u>	<u>\$ 616,156</u>
FUND BALANCE, beginning of year			<u>616,156</u>	
FUND BALANCE, end of year			<u>\$ 616,156</u>	

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental:				
NC Department of Commerce	\$ 500,000	\$ -	\$ -	\$ -
Golden Leaf	535,000	-	-	-
Other income	25,000	-	-	-
Investment	-	-	14	14
Total revenues	<u>1,060,000</u>	<u>-</u>	<u>14</u>	<u>14</u>
EXPENDITURES				
Economic development:				
Administration	50,000	-	-	-
Construction	1,857,000	-	-	-
Contingency	93,000	-	-	-
Debt service				
Interest and fiscal charges	60,000	-	42,183	42,183
Total expenditures	<u>2,060,000</u>	<u>-</u>	<u>42,183</u>	<u>42,183</u>
Excess (deficiency) of revenues over expenditures	(1,000,000)	-	(42,169)	(42,169)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	1,000,000	-	1,000,000	1,000,000
Total other financing sources (uses)	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	957,831	<u>\$ 957,831</u>
FUND BALANCE, beginning of year			-	
FUND BALANCE, end of year			<u>\$ 957,831</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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 132,971	\$ 132,971	\$ 69,869	\$ (63,102)
Total revenues	<u>132,971</u>	<u>132,971</u>	<u>69,869</u>	<u>(63,102)</u>
EXPENDITURES				
Economic and physical development	132,971	132,971	54,093	78,878
Total expenditures	<u>132,971</u>	<u>132,971</u>	<u>54,093</u>	<u>78,878</u>
Net change in fund balances	-	-	15,776	15,776
FUND BALANCE, beginning of year	<u>97,063</u>	<u>97,063</u>	<u>97,063</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 97,063</u>	<u>\$ 97,063</u>	<u>\$ 112,839</u>	<u>\$ 15,776</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, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Contributions	\$ 512,000	\$ -	\$ -	\$ -
Total revenues	<u>512,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Culture and recreation				
Administration	10,000	-	6,000	6,000
Construction	512,000	-	-	-
Total expenditures	<u>522,000</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Deficiency of revenues over expenditures	(10,000)	-	(6,000)	(6,000)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	-	10,000	10,000
Total other financing sources (uses)	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,000	<u>\$ 4,000</u>
FUND BALANCE, beginning of year			<u>-</u>	
FUND BALANCE, end of year			<u>\$ 4,000</u>	

HALIFAX COUNTY, NORTH CAROLINA
CDBG INFRASTRUCTURE AERATION SYSTEM PROJECT FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)**
PROJECT LIFE AS OF JUNE 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 885,000	\$ 885,099	\$ -	\$ 885,099
Total revenues	885,000	885,099	-	885,099
EXPENDITURES				
Rural development:				
Construction	656,721	618,875	-	618,875
Engineering	75,500	75,650	-	75,650
Administration	188,729	188,244	-	188,244
Contingency	14,971	-	-	-
Total expenditures	935,921	882,769	-	882,769
Excess (deficiency) of revenues over expenditures	(50,921)	2,330	-	2,330
OTHER FINANCING SOURCES (USES)				
Transfers in	50,921	50,921	-	50,921
Transfers out	(53,252)	-	(53,251)	(53,251)
Appropriate reserves to fund balance	53,252	-	-	-
Total other financing sources (uses)	50,921	50,921	(53,251)	(2,330)
Net change in fund balance	\$ -	\$ 53,251	(53,251)	\$ -
FUND BALANCE, beginning of year			53,251	
FUND BALANCE, end of year			\$ -	

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Landfill fees	\$ 4,210,692	\$ 4,245,692	\$ 4,017,479	\$ (228,213)
Other operating	-	927	1,506	579
Investment earnings	15,000	30,000	31,028	1,028
Total revenues	<u>4,225,692</u>	<u>4,276,619</u>	<u>4,050,013</u>	<u>(226,606)</u>
EXPENDITURES				
Landfill operations	2,736,639	2,772,370	4,640,989	(1,868,619)
Ash monofill cell	32,685	32,685	30,909	1,776
Transfer station	1,309,014	1,325,171	940,877	384,294
Debt service	189,840	189,840	189,837	3
Total expenditures	<u>4,268,178</u>	<u>4,320,066</u>	<u>5,802,612</u>	<u>(1,482,546)</u>
Deficiency of revenues over expenditures	(42,486)	(43,447)	(1,752,599)	(1,709,152)
OTHER FINANCING SOURCES				
Transfers in	2,801	2,801	1,962,593	1,959,792
Appropriated fund balance	39,685	40,646	-	(40,646)
Total other financing sources	<u>42,486</u>	<u>43,447</u>	<u>1,962,593</u>	<u>1,919,146</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	209,994	<u>\$ 209,994</u>
Adjustments to full accrual:				
Payments of debt service - principal			180,647	
Decrease in estimated postclosure costs			1,939,834	
Increase in compensated absences			(430)	
Change in net pension liability and related deferred items			34,290	
Change in accrued interest			1,504	
Depreciation expense			(98,846)	
Landfill Closure Capital Reserve Fund - net change in net position			899	
White Goods Handling Facility - net change in net position			12,692	
Electronic Management Fund - net change in net position			(6,052)	
Tire Disposal Fund - net change in net position			(2,563)	
Ash Monofill Project Fund - net change in net position			(1,715,367)	
C&D Landfill Project Fund - net change in net position			(244,425)	
Change in net position - GAAP Basis			<u>\$ 312,177</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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 899	\$ 899
Total revenues	-	-	899	899
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899</u>	<u>\$ 899</u>

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 10,489	\$ 10,489
Interest	-	-	2,203	2,203
Total revenues	-	-	12,692	12,692
EXPENDITURES				
Landfill operations	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over expenditures	(10,000)	(10,000)	12,692	22,692
OTHER FINANCING SOURCES				
Appropriated fund balance	10,000	10,000	-	(10,000)
Total other financing sources	10,000	10,000	-	(10,000)
Net change in net position	\$ -	\$ -	\$ 12,692	\$ 12,692

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Interest	-	-	58	58
Total revenues	3,000	3,000	58	(2,942)
EXPENDITURES				
Landfill operations	10,000	8,279	6,110	2,169
Total expenditures	10,000	8,279	6,110	2,169
Deficiency of revenues over expenditures	(7,000)	(5,279)	(6,052)	(773)
OTHER FINANCING SOURCES				
Appropriated fund balance	7,000	5,279	-	(5,279)
Total other financing sources	7,000	5,279	-	(5,279)
Net change in net position	\$ -	\$ -	\$ (6,052)	\$ (6,052)

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 80,000	\$ 80,000	\$ 72,004	\$ (7,996)
Total revenues	80,000	80,000	72,004	(7,996)
EXPENDITURES				
Landfill operations	80,000	80,000	74,567	5,433
Total expenditures	80,000	80,000	74,567	5,433
Net change in net position	\$ -	\$ -	\$ (2,563)	\$ (2,563)

HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - ASH MONOFILL PROJECT

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Years</u>	<u>Total to Date</u>
EXPENDITURES				
Economic and physical development:				
Construction	\$ 2,378,380	\$ 699,237	\$ -	\$ 699,237
Engineering	218,000	82,720	-	82,720
Contingency	118,919	-	-	-
Total expenditures	<u>2,715,299</u>	<u>781,957</u>	<u>-</u>	<u>781,957</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,715,299	2,715,299	-	2,715,299
Transfers out	-	-	(1,715,367)	(1,715,367)
Total other financing sources (uses)	<u>2,715,299</u>	<u>2,715,299</u>	<u>(1,715,367)</u>	<u>999,932</u>
Net change in net position	<u>\$ -</u>	<u>\$ 1,933,342</u>	<u>\$ (1,715,367)</u>	<u>\$ 217,975</u>

HALIFAX COUNTY, NORTH CAROLINA
SOLID WASTE LANDFILL - C&D LANDFILL PROJECT

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Years	Total to Date
EXPENDITURES				
Economic and physical development	\$ 737,483	\$ 441,947	\$ -	\$ 441,947
Total expenditures	<u>737,483</u>	<u>441,947</u>	<u>-</u>	<u>441,947</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	737,483	737,483	-	737,483
Transfers out	-	-	(244,425)	(244,425)
Total other financing sources (uses)	<u>737,483</u>	<u>737,483</u>	<u>(244,425)</u>	<u>493,058</u>
Net change in net position	<u>\$ -</u>	<u>\$ 295,536</u>	<u>\$ (244,425)</u>	<u>\$ 51,111</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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 6,081,366	\$ 6,081,366	\$ 6,093,303	\$ 11,937
Investment earnings	2,500	2,500	3,474	974
Miscellaneous	220,000	220,000	157,054	(62,946)
Total revenues	6,303,866	6,303,866	6,253,831	(50,035)
EXPENDITURES				
Administration	1,480,062	1,462,089	1,440,506	21,583
Operations	2,961,378	2,981,138	2,847,940	133,198
Repairs and maintenance	71,400	71,400	33,311	38,089
Capital outlays	87,000	87,000	62,008	24,992
Debt service	1,610,842	1,610,842	1,610,838	4
Total expenditures	6,210,682	6,212,469	5,994,603	217,866
Excess of revenues over expenditures	93,184	91,397	259,228	167,831
OTHER FINANCING SOURCES (USES)				
Transfers in	4,896	58,148	58,148	-
Transfers out	(98,080)	(98,080)	(98,080)	-
Appropriation of fund balance	-	(51,465)	-	51,465
Total other financing sources (uses)	(93,184)	(91,397)	(39,932)	51,465
Net change in net position	\$ -	\$ -	219,296	\$ 219,296
Adjustments to full accrual:				
Deprecation expense			(1,779,588)	
Change in accrued interest			6,024	
Principal payments on long-term debt			1,136,904	
Change in compensated absences			258	
Purchase of capital assets			62,008	
Change in net pension liability and related deferred items			47,443	
Water Debt Service Fund - net change in fund balance			58	
Mid-Atlantic Sewer Project Fund - net change in fund balance			-	
Change in net position - GAAP Basis			<u>\$ (307,597)</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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 100	\$ 100	\$ 114	\$ 14
Total revenues	100	100	114	14
EXPENDITURES				
Administration	100	100	56	44
Debt service	98,080	98,080	98,080	-
Total expenditures	98,180	98,180	98,136	44
Deficiency of revenues over expenditures	(98,080)	(98,080)	(98,022)	58
OTHER FINANCING SOURCES				
Transfers in	98,080	98,080	98,080	-
Total other financing sources	98,080	98,080	98,080	-
Net change in net position	\$ -	\$ -	\$ 58	\$ 58

HALIFAX COUNTY, NORTH CAROLINA
WATER FUND - MID-ATLANTIC SEWER PROJECT

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Years	Total to Date
REVENUES				
Charges for services	\$ 82,460	\$ -	\$ -	\$ -
Miscellaneous	88,460	28,460	-	28,460
Total revenues	<u>170,920</u>	<u>28,460</u>	<u>-</u>	<u>28,460</u>
EXPENDITURES				
Operations	170,920	-	-	-
Total expenditures	<u>170,920</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in net position	<u>\$ -</u>	<u>\$ 28,460</u>	<u>\$ -</u>	<u>\$ 28,460</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, 2020

		Health Insurance	Unemployment	
	ASSETS	Fund	Insurance	Totals
			Fund	
Cash and cash equivalents		\$ 2,893,106	\$ 126,818	\$ 3,019,924
Total assets		<u>2,893,106</u>	<u>126,818</u>	<u>3,019,924</u>
	LIABILITIES			
Accounts payables		80,902	-	80,902
Claims payable		298,736	-	298,736
Total liabilities		<u>379,638</u>	<u>-</u>	<u>379,638</u>
	NET POSITION			
Unrestricted		2,513,468	126,818	2,640,286
Total net position		<u>\$ 2,513,468</u>	<u>\$ 126,818</u>	<u>\$ 2,640,286</u>

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Health Insurance Fund	Unemployment Insurance Fund	Totals
OPERATING REVENUES			
Other operating revenues	\$ 4,846,520	\$ 235,883	\$ 5,082,403
Total operating revenues	4,846,520	235,883	5,082,403
OPERATING EXPENSES			
Claims and payments to third party administrators	4,026,569	6,711	4,033,280
Total operating expenses	4,026,569	6,711	4,033,280
Operating income	819,951	229,172	1,049,123
NON-OPERATING REVENUES			
Investment earnings	25,434	2,541	27,975
Total non-operating revenue	25,434	2,541	27,975
OTHER FINANCING USES			
Transfers out	-	(375,000)	(375,000)
Total other financing uses	-	(375,000)	(375,000)
Change in net position	845,385	(143,287)	702,098
Net position, beginning of year	1,668,083	270,105	1,938,188
Net position, end of year	\$ 2,513,468	\$ 126,818	\$ 2,640,286

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Health Insurance Fund	Unemployment Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,846,520	\$ 235,883	\$ 5,082,403
Payments to suppliers	(4,323,252)	(6,711)	(4,329,963)
Net cash provided by operating activities	523,268	229,172	752,440
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	25,434	2,541	27,975
Net cash provided by investing activities	25,434	2,541	27,975
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES			
Transfers out	-	(375,000)	(375,000)
Net cash used in noncapital related financing activities	-	(375,000)	(375,000)
Net increase (decrease) in cash and cash equivalents	548,702	(143,287)	405,415
Cash and cash equivalents, beginning of year	2,344,404	270,105	2,614,509
Cash and cash equivalents, end of year	\$ 2,893,106	\$ 126,818	\$ 3,019,924
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 819,951	\$ 229,172	\$ 1,049,123
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in accounts payable	21,874	-	21,874
Decrease in claims payable	(318,557)	-	(318,557)
Net cash provided by operating activities	\$ 523,268	\$ 229,172	\$ 752,440

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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 5,200,000	\$ 5,200,000	\$ 4,846,520	\$ (353,480)
Investment earnings	-	-	25,434	25,434
Total revenues	5,200,000	5,200,000	4,871,954	(328,046)
EXPENDITURES				
Operations	5,200,000	5,200,000	4,345,126	854,874
Total expenditures	5,200,000	5,200,000	4,345,126	854,874
Net change in net position	\$ -	\$ -	526,828	\$ 526,828
Adjustments to full accrual:				
Decrease in claims payable			318,557	
Change in net position - GAAP Basis			\$ 845,385	

**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, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 244,825	\$ 244,825	\$ 235,883	\$ (8,942)
Investment earnings	-	-	2,541	2,541
Total revenues	244,825	244,825	238,424	(6,401)
EXPENDITURES				
Claims paid	25,000	25,000	6,711	18,289
Total expenditures	25,000	25,000	6,711	18,289
Excess of revenues over expenditures	219,825	219,825	231,713	11,888
OTHER FINANCING SOURCES (USES)				
Transfers out	(375,000)	(375,000)	(375,000)	-
Appropriated fund balance	155,175	155,175	-	(155,175)
Total other financing (uses)	(219,825)	(219,825)	(375,000)	(155,175)
Net change in net position	\$ -	\$ -	\$ (143,287)	\$ (143,287)

AGENCY FUNDS

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

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

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS JUNE 30, 2020

	Tax Collection Agency Fund	Social Services Trust Fund	Total
ASSETS			
Cash	\$ 150,744	\$ 88,840	\$ 239,584
Taxes receivable	1,091,122	-	1,091,122
Total assets	<u>\$ 1,241,866</u>	<u>\$ 88,840</u>	<u>\$ 1,330,706</u>
LIABILITIES			
Due to others	\$ 150,744	\$ 88,840	\$ 239,584
Uncollected taxes	1,091,122	-	1,091,122
Total liabilities	<u>\$ 1,241,866</u>	<u>\$ 88,840</u>	<u>\$ 1,330,706</u>

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Tax Collection Agency Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 67,924	\$ 11,466,742	\$ (11,383,922)	\$ 150,744
Taxes receivable	1,018,904	12,511,269	(12,439,051)	1,091,122
Total assets	<u>\$ 1,086,828</u>	<u>\$ 23,978,011</u>	<u>\$ (23,822,973)</u>	<u>\$ 1,241,866</u>
LIABILITIES				
Due to others	\$ 67,924	\$ 11,466,742	\$ (11,383,922)	\$ 150,744
Uncollected taxes	1,018,904	12,511,269	(12,439,051)	1,091,122
Total liabilities	<u>\$ 1,086,828</u>	<u>\$ 23,978,011</u>	<u>\$ (23,822,973)</u>	<u>\$ 1,241,866</u>
<u>Social Services Trust Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 34,992	\$ 88,840	\$ (34,992)	\$ 88,840
Total assets	<u>\$ 34,992</u>	<u>\$ 88,840</u>	<u>\$ (34,992)</u>	<u>\$ 88,840</u>
LIABILITIES				
Due to others	\$ 34,992	\$ 88,840	\$ (34,992)	\$ 88,840
Total liabilities	<u>\$ 34,992</u>	<u>\$ 88,840</u>	<u>\$ (34,992)</u>	<u>\$ 88,840</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 102,916	\$ 11,555,582	\$ (11,418,914)	\$ 239,584
Taxes receivable	1,018,904	12,511,269	(12,439,051)	1,091,122
Total assets	<u>\$ 1,121,820</u>	<u>\$ 24,066,851</u>	<u>\$ (23,857,965)</u>	<u>\$ 1,330,706</u>
LIABILITIES				
Due to others	\$ 102,916	\$ 11,555,582	\$ (11,418,914)	\$ 239,584
Uncollected taxes	1,018,904	12,511,269	(12,439,051)	1,091,122
Total liabilities	<u>\$ 1,121,820</u>	<u>\$ 24,066,851</u>	<u>\$ (23,857,965)</u>	<u>\$ 1,330,706</u>

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE **JUNE 30, 2020**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 29,133,189	\$ 28,457,238	\$ 675,951
2018-2019	527,524	-	196,985	330,540
2018-2019	285,122	-	48,935	236,187
2017-2018	205,867	-	24,585	181,282
2016-2017	170,481	-	18,736	151,745
2015-2016	172,931	-	15,737	157,194
2014-2015	176,332	-	16,522	159,810
2013-2014	166,098	-	10,822	155,276
2012-2013	144,824	-	10,530	134,294
2011-2012	133,974	-	10,094	123,880
2010-2011	111,925	-	111,925	-
	<u>\$ 2,095,078</u>	<u>\$ 29,133,189</u>	<u>\$ 28,922,109</u>	<u>2,306,159</u>
Less: allowance for uncollectible accounts - General Fund				<u>(680,104)</u>
Ad valorem taxes receivable - net				<u>\$ 1,626,055</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 28,785,948
Reconciling items:				
Interest and penalties				(185,556)
Amounts written off for tax years per statute of limitations				111,925
Releases				91,704
Refunds				(49,855)
Writeoffs/discounts				215,336
Tax bill adjustments				(28,767)
Discoveries and rollback				97,677
Miscellaneous adjustments				(116,303)
Total collections and credits				<u>\$ 28,922,109</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY JUNE 30, 2020

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 4,122,681,198	0.770	\$ 28,841,187	\$25,937,729	\$2,903,458
Penalties	-		80,455	80,455	-
Total	<u>4,122,681,198</u>		<u>28,921,642</u>	<u>26,018,184</u>	<u>2,903,458</u>
Discoveries	<u>39,427,403</u>	0.770	<u>303,591</u>	<u>303,591</u>	<u>-</u>
Late list penalties			75,254	75,254	-
Releases	<u>(140,114)</u>	0.770	<u>(107,888)</u>	<u>(107,888)</u>	<u>-</u>
Total property valuation	<u><u>\$ 4,122,541,084</u></u>				
Net levy			29,192,599	26,289,141	2,903,458
Uncollected taxes at June 30, 2020			<u>(675,951)</u>	<u>(675,951)</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 28,516,648</u></u>	<u><u>\$25,613,190</u></u>	<u><u>\$2,903,458</u></u>
Current levy collection percentage			<u><u>97.68%</u></u>	<u><u>97.43%</u></u>	<u><u>100.00%</u></u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2020

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio 98%

Real property	\$	2,897,671,830
Personal property		967,098,555
Public service companies		257,910,813
Total assessed valuation	\$	<u>4,122,681,198</u>

Tax rate per \$100	\$	<u>0.77</u>
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Levy (including discoveries, releases and abatements)	\$	<u>31,744,645</u>
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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	\$	1,215,697
Fire protection districts		1,371,649
Roanoke Rapids schools		1,752,368
Community hospital		<u>2,938</u>

Total	\$	<u>4,342,652</u>
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STATISTICAL SECTION

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

Page

Financial Trends 137

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..... 142

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

Debt Capacity..... 146

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..... 150

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 152

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 comprehensive annual 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									
	2020	2019	2018 (**)	2017 (**)	2016 (*)	2015 (*)	2014	2013	2012	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 14,500,906	\$ 19,974,793	\$ 17,187,742	\$ 21,388,949	\$ 17,831,005	\$ 18,447,019	\$ 18,794,168	\$ 18,632,877	\$ 18,477,076	\$ 15,509,024
Restricted	21,170,154	18,614,020	24,454,078	22,911,749	21,136,844	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798
Unrestricted	(12,110,560)	(19,918,605)	(27,387,184)	(26,964,341)	(8,188,316)	(3,431,783)	(1,637,019)	(1,029,184)	(21,964)	6,009,922
Total governmental activities net position	\$ 23,560,500	\$ 18,670,208	\$ 14,254,636	\$ 17,336,357	\$ 30,779,533	\$ 30,477,497	\$ 30,694,269	\$ 33,916,198	\$ 34,878,254	\$ 32,649,744
Business-type activities										
Invested in capital assets, net of related debt	\$ 11,204,510	\$ 11,728,621	\$ 11,290,268	\$ 11,824,479	\$ 12,055,155	\$ 12,077,355	\$ 11,956,839	\$ 11,368,747	\$ 11,893,823	\$ 13,581,258
Unrestricted	2,657,055	2,128,364	7,821,206	7,541,406	5,176,388	4,801,751	5,260,162	6,831,496	6,156,006	7,257,654
Total business-type activities net position	\$ 13,861,565	\$ 13,856,985	\$ 19,111,474	\$ 19,365,885	\$ 17,231,543	\$ 16,879,106	\$ 17,217,001	\$ 18,200,243	\$ 18,049,829	\$ 20,838,912
Primary government										
Invested in capital assets, net of related debt	\$ 25,705,416	\$ 31,703,414	\$ 28,478,010	\$ 33,213,428	\$ 29,886,160	\$ 30,524,374	\$ 30,751,007	\$ 30,001,624	\$ 30,370,899	\$ 29,090,282
Restricted	21,170,154	18,614,020	24,454,078	22,911,749	21,136,844	15,462,261	13,537,120	16,312,505	16,423,142	11,130,798
Unrestricted	(9,453,505)	(17,790,241)	(19,565,978)	(19,422,935)	(3,011,928)	1,369,968	3,623,143	5,802,312	6,134,042	13,267,576
Total primary government net position	\$ 37,422,065	\$ 32,527,193	\$ 33,366,110	\$ 36,702,242	\$ 48,011,076	\$ 47,356,603	\$ 47,911,270	\$ 52,116,441	\$ 52,928,083	\$ 53,488,656

* - 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 net pension liability for the North Carolina Local Governmental Employees' Retirement System (LERS). The County's share of the NPL for LERS 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 8,879,980	\$ 8,245,946	\$ 8,473,124	\$ 11,824,803	\$ 11,900,686	\$ 11,265,630	\$ 11,521,305	\$ 11,421,727	\$ 11,155,986	\$ 10,435,130
Public safety	18,680,287	18,654,858	17,137,119	15,223,699	14,740,869	14,197,958	13,761,938	14,124,871	12,844,194	12,274,234
Economic and physical development	2,293,571	1,685,582	1,522,518	5,070,877	2,479,719	2,936,494	7,185,719	1,418,100	1,711,426	1,757,528
Human services	18,882,522	20,636,307	20,581,114	20,258,952	19,782,077	19,339,216	20,392,320	20,918,807	21,780,366	22,082,009
Cultural and recreation	721,052	845,917	686,028	506,484	579,074	540,741	651,086	617,701	683,275	539,435
Education	14,882,026	15,775,104	21,888,553	22,071,399	13,339,997	11,437,522	11,257,890	12,758,774	14,579,569	11,696,274
Interest and fiscal charges	776,980	802,858	882,908	1,012,473	1,119,155	805,349	1,042,433	921,100	938,783	396,649
Total governmental activities expenses	\$ 65,116,418	\$ 66,646,572	\$ 71,171,364	\$ 75,968,687	\$ 63,941,577	\$ 60,522,910	\$ 65,812,691	\$ 62,181,080	\$ 63,693,599	\$ 59,181,259
Business-type activities:										
Water & Sewer	6,619,690	6,251,538	6,185,739	5,982,662	6,213,780	6,011,145	5,759,890	5,730,039	6,961,383	5,071,355
Landfill/Solid Waste	3,826,290	9,708,245	4,532,991	3,700,588	4,568,587	3,802,629	3,982,453	3,703,772	8,871,212	3,906,530
Total business-type activities	10,445,980	15,959,783	10,718,730	9,683,250	10,782,367	9,813,774	9,742,343	9,433,811	15,832,595	8,977,885
Total primary governmental expenses	\$ 75,562,398	\$ 82,606,355	\$ 81,890,094	\$ 85,651,937	\$ 74,723,944	\$ 70,336,684	\$ 75,555,034	\$ 71,614,891	\$ 79,526,194	\$ 68,159,144
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,255,132	\$ 3,756,464	\$ 3,259,332	\$ 11,687,133	\$ 3,155,714	\$ 2,389,281	\$ 2,400,963	\$ 2,754,422	\$ 2,149,215	\$ 2,787,711
Public safety	2,518,036	2,547,128	2,167,892	3,533,202	3,206,930	3,187,812	3,271,235	2,528,535	3,436,113	3,584,112
Economic and physical development	242,267	268,157	272,355	-	80,544	-	-	-	-	-
Human Services	135,059	48,857	39,560	-	-	124,808	148,547	102,747	158,807	143,102
Cultural and recreation	33,153	25,011	11,408	20,816	26,945	24,904	25,439	21,822	19,223	26,895
Operating grants and contributions	15,558,129	17,520,858	16,755,893	17,721,133	17,909,200	17,490,294	16,704,854	17,435,430	21,669,387	17,744,622
Capital grants and contributions	400,000	267,649	903,585	4,101,133	1,843,555	1,340,173	1,349,798	1,257,897	1,369,143	1,018,199
Total governmental activities program revenues	\$ 23,141,776	\$ 24,434,124	\$ 23,410,025	\$ 37,063,417	\$ 26,222,888	\$ 24,557,272	\$ 23,900,836	\$ 24,100,853	\$ 28,801,888	\$ 25,304,641
Business-type activities:										
Charges of services:										
Water and sewer	6,250,357	6,038,316	6,219,256	6,055,217	5,638,615	5,233,713	4,987,948	4,980,159	4,616,130	4,664,667
Solid waste	4,101,478	3,986,176	4,101,502	4,109,935	5,009,713	3,727,923	3,814,991	3,728,939	8,356,624	3,372,705
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	578,216	117,952	128,416	404,482	553,201	642,755	766,515	2,511	224,763
Total business-type activities program revenues	\$ 10,351,835	\$ 10,602,708	\$ 10,438,710	\$ 10,293,568	\$ 11,052,810	\$ 9,514,837	\$ 9,445,694	\$ 9,475,613	\$ 12,975,265	\$ 8,262,135
Total primary governmental program revenues	\$ 33,493,611	\$ 35,036,832	\$ 33,848,735	\$ 47,356,985	\$ 37,275,698	\$ 34,072,109	\$ 33,346,530	\$ 33,576,466	\$ 41,777,153	\$ 33,566,776
Net (Expense)/Revenue										
Governmental activities	\$ (41,974,642)	\$ (42,212,448)	\$ (47,761,339)	\$ (38,905,270)	\$ (37,718,688)	\$ (35,965,638)	\$ (41,911,855)	\$ (38,080,227)	\$ (34,891,710)	\$ (33,876,618)
Business-type activities	(94,145)	(5,357,075)	(280,020)	610,318	270,443	(298,937)	(296,649)	41,802	(2,857,330)	(715,750)
Total primary government net expense	\$ (42,068,787)	\$ (47,569,523)	\$ (48,041,359)	\$ (38,294,952)	\$ (37,448,245)	\$ (36,264,575)	\$ (42,208,504)	\$ (38,038,425)	\$ (37,749,040)	\$ (34,592,368)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 35,755,677	\$ 34,774,157	\$ 34,488,840	\$ 31,809,653	\$ 29,927,726	\$ 29,566,702	\$ 29,938,070	\$ 29,176,862	\$ 29,060,545	\$ 28,853,192
Local option sales tax	10,277,087	10,520,348	9,677,612	-	7,961,352	8,161,488	7,211,131	7,462,883	7,441,555	6,544,483
Other taxes	683,992	702,002	285,520	-	93,902	99,262	118,989	144,424	121,816	124,282
Interest earned on investments	209,127	679,056	203,391	82,528	56,252	37,586	67,661	39,775	39,565	99,372
Miscellaneous	-	-	-	-	-	441,373	1,567,406	312,523	432,380	206,482
Transfers	(60,949)	(47,543)	24,255	(2,443,123)	(49,541)	-	-	(18,296)	24,359	88,793
Total governmental activities	\$ 46,864,934	\$ 46,628,020	\$ 44,679,618	\$ 29,449,058	\$ 37,989,691	\$ 38,306,411	\$ 38,903,257	\$ 37,118,171	\$ 37,120,220	\$ 35,916,604
Business-type activities:										
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Privilege Tax	-	-	-	-	70,542	67,973	74,366	83,280	84,179	81,674
Interest	37,776	55,043	49,564	16,275	11,911	3,357	5,556	7,036	8,427	16,273
Transfers	60,949	47,543	(24,255)	-	(459)	-	-	18,296	(24,359)	(88,793)
Total business-type activities	98,725	102,586	25,309	16,275	81,994	71,330	79,922	108,612	68,247	9,154
Total primary government	\$ 46,963,659	\$ 46,730,606	\$ 44,704,927	\$ 29,465,333	\$ 38,071,685	\$ 38,377,741	\$ 38,983,179	\$ 37,226,783	\$ 37,188,467	\$ 35,925,758
Change in Net Position										
Governmental activities	\$ 4,890,292	\$ 4,415,572	\$ (3,081,721)	\$ (7,013,089)	\$ 271,003	\$ 2,340,773	\$ (3,008,598)	\$ (962,056)	\$ 2,228,510	\$ 2,039,986
Business-type activities	4,580	(5,254,489)	(254,711)	431,690	352,437	(227,607)	(216,727)	150,414	(2,789,083)	(706,596)
Total primary government	\$ 4,894,872	\$ (838,917)	\$ (3,336,432)	\$ (6,581,399)	\$ 623,440	\$ 2,113,166	\$ (3,225,325)	\$ (811,642)	\$ (560,573)	\$ 1,333,390

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

	Fiscal Year									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017-Restated</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Nonspendable	\$ 2,913	\$ 218,413	\$ 372,305	\$ 34,500	\$ 193,435	\$ 108,076	\$ 47,097	\$ 67,992	\$ 787,417	\$ 118,618
Restricted	23,295,315	19,989,817	25,663,240	19,635,551	19,488,758	13,617,754	12,649,829	14,590,085	13,736,617	9,937,529
Committed	-	-	-	-	-	-	888,375	1,063,800	1,010,972	987,513
Assigned	2,788,796	1,275,502	1,554,604	3,679,242	4,007,178	4,658,251	1,882,934	3,497,218	4,530,361	3,941,401
Unassigned	13,603,069	13,701,295	4,253,587	5,453,780	2,271,623	8,329,303	11,643,265	10,528,955	13,226,413	17,589,602
Total General Fund	<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>	<u>\$ 29,748,050</u>	<u>\$ 33,291,780</u>	<u>\$ 32,574,663</u>
All other governmental funds										
Nonspendable	\$ 200	\$ 200	\$ 203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	334,726	813,052	712,008	11,402,505	1,009,628	1,844,507	951,229	1,722,420	2,686,525	1,193,269
Committed	-	-	-	27,396	39,849	145,595	629,102	2,255,244	1,182,015	-
Assigned	2,113,658	1,254,347	1,858,222	-	-	-	-	-	-	1,534,350
Unassigned	-	-	-	(1,994,684)	(343,430)	(736,967)	(1,158,743)	(2,625,090)	(3,344,767)	(2,692,045)
Total all other governmental funds	<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>	<u>\$ 1,352,574</u>	<u>\$ 523,773</u>	<u>\$ 35,574</u>

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

	Fiscal Year									
Revenues	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ad valorem taxes	\$ 35,504,070	\$ 34,810,631	\$ 34,326,757	\$ 32,429,935	\$ 29,288,453	\$ 24,785,670	\$ 25,467,769	\$ 24,508,463	\$ 24,322,857	\$ 28,787,663
Other taxes and licenses	10,961,079	11,222,350	9,963,132	8,770,372	8,055,164	7,716,600	6,857,795	7,095,607	6,712,220	6,668,765
Unrestricted intergovernmental revenues	-	-	-	347,331	361,425	385,800	347,751	390,315	408,382	727,980
Restricted intergovernmental revenues	15,957,884	17,788,507	18,266,441	21,608,486	19,902,329	17,486,635	16,450,460	17,545,805	18,649,613	18,977,893
Permits and fees	2,108,871	1,956,142	1,458,043	1,359,789	1,358,846	1,324,064	1,397,617	1,346,291	1,300,247	1,148,751
Sales and services	3,640,835	3,851,980	3,825,133	4,364,500	3,877,354	3,970,595	4,043,476	3,879,891	4,098,301	4,328,128
Investment earnings	209,127	679,056	203,391	78,379	54,342	29,823	56,469	21,802	29,070	96,610
Miscellaneous	1,433,941	837,495	467,371	488,289	598,374	354,324	329,311	312,426	412,940	206,482
Total revenues	\$ 69,815,807	\$ 71,146,161	\$ 68,510,268	\$ 69,447,081	\$ 63,496,287	\$ 56,053,511	\$ 54,950,648	\$ 55,100,600	\$ 55,933,630	\$ 60,942,272
Expenditures										
General government	\$ 8,643,622	8,475,277	7,999,497	7,496,153	7,161,747	7,870,394	8,032,471	8,787,443	7,262,849	6,603,840
Public safety	18,306,592	18,609,491	17,143,327	16,890,493	16,200,768	13,265,922	13,146,632	12,983,238	13,479,012	12,713,337
Economic and physical development	1,904,690	1,425,601	1,607,161	5,014,213	2,353,686	975,352	866,364	1,097,442	5,351,019	2,455,450
Human services	18,526,974	20,290,006	20,294,606	22,214,380	21,756,228	21,386,334	21,485,386	21,914,289	22,931,926	22,849,271
Cultural and recreational	663,084	788,615	676,777	604,985	655,299	631,639	711,853	680,198	735,805	596,275
Education	14,882,026	15,775,104	21,876,806	22,169,505	13,339,997	8,068,342	7,837,920	9,272,733	14,579,569	11,696,274
Capital outlay	-	-	171,495	-	-	-	-	-	-	-
Debt service										
Principal	2,686,078	2,705,597	2,715,667	2,871,519	1,605,812	1,664,029	1,919,745	1,822,398	2,094,073	2,460,612
Interest and fiscal charges	783,154	809,072	889,271	1,147,364	802,052	821,056	854,222	921,099	936,291	396,649
Total expenditures	\$ 66,396,220	\$ 68,878,763	\$ 73,374,607	\$ 78,408,612	\$ 63,875,589	\$ 54,683,068	\$ 54,854,593	\$ 57,478,840	\$ 67,370,544	\$ 59,771,708
Excess of revenues over (under) expenditures	\$ 3,419,587	\$ 2,267,398	\$ (4,864,339)	\$ (8,961,531)	\$ (379,302)	\$ 1,370,443	\$ 96,055	\$ (2,378,240)	\$ (11,436,914)	\$ 1,170,564
Other financing sources (uses)										
Intrafund transfers in (out)										
Transfers in-	585,000	1,020,896	282,706	1,316,239	301,089	421,791	1,292,222	296,406	1,076,323	2,069,142
Transfers out-	(270,949)	(692,837)	(11,951)	(1,069,739)	(954,130)	(2,190,350)	(4,474,827)	(1,461,896)	(826,964)	(1,755,349)
Issuance of refunding debt	-	-	-	12,005,000	-	-	-	-	-	-
Refunding payment to escrow agent	-	-	-	(11,899,646)	-	-	-	-	-	-
Sale of capital assets	-	-	371,757	-	-	-	-	-	-	-
Installment purchase obligations issued	1,152,413	-	-	258,000	18,036,030	-	450,000	-	2,552,967	-
Issuance of capital lease	-	243,000	397,706	-	-	-	-	-	-	-
Total other financing sources (uses)	1,466,464	571,059	1,040,218	609,854	17,382,989	(1,768,559)	(2,732,605)	(1,165,490)	2,802,326	313,793
Net change in fund balances	\$ 4,886,051	\$ 2,838,457	\$ (3,824,121)	\$ (8,351,677)	\$ 17,003,687	\$ (398,116)	\$ (2,636,550)	\$ (3,543,730)	\$ (8,634,588)	\$ 1,484,357
Debt services as a percentage of noncapital expenditures	5.27%	5.23%	4.99%	5.22%	3.77%	4.53%	5.19%	4.89%	4.82%	4.86%

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			
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
2013	2,688,009,515	181,213,573	741,238,469	3,610,461,557	\$ 0.6800
2012	2,679,669,691	172,366,132	741,199,448	3,593,235,271	\$ 0.6800
2011	2,659,342,572	166,430,768	729,288,429	3,555,061,769	\$ 0.6800

Source: Halifax County Tax Department

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

	Year Taxes Are Payable									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County Direct Rates										
Halifax	0.7600	0.7700	0.7700	0.7800	0.7800	0.7300	0.6800	0.6800	0.6800	0.6800
Components of Direct Rates										
Public Safety	0.140600	0.142450	0.142450	0.143832	0.143832	0.134612	0.125392	0.125392	-	-
Education	0.224200	0.225610	0.225610	0.228852	0.228852	0.214182	0.199512	0.199512	-	-
Operational Services	0.395200	0.401940	0.401940	0.407316	0.407316	0.381206	0.355096	0.355096	-	-
City Rates										
Roanoke Rapids	0.6510	0.6510	0.6510	0.6510	0.6510	0.6510	0.6240	0.6240	0.6240	0.6240
Enfield	0.9270	0.9270	0.8380	0.8380	0.8380	0.8380	0.7500	0.7500	0.7500	0.7500
Halifax	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6000	0.5500	0.5500	0.5500
Scotland Neck	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7000	0.7000	0.6800	0.6400
Hobgood	0.7200	0.7200	0.7200	0.6500	0.6500	0.6500	0.5700	0.5700	0.5700	0.5700
Littleton	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.7000	0.6500	0.6500	0.6500
Weldon	0.7200	0.7700	0.7700	0.7700	0.7700	0.7700	0.6600	0.6600	0.6600	0.6600
School District										
Weldon	0.2000	0.2000	0.2000	0.2000	0.2000	0.1818	0.1700	0.1700	0.1700	0.1700
Roanoke Rapids	0.2150	0.2250	0.2250	0.2250	0.2250	0.2250	0.2100	0.2100	0.2100	0.2100
Halifax County Schools	0.1000	0.1000	0.1000	0.1000	N/A	N/A	N/A	N/A	N/A	N/A
Fire Districts										
Rheasville	0.0663	0.0705	0.0705	0.0705	0.0705	0.0705	0.0700	0.0700	0.0700	0.0700
Davie	0.0905	0.0945	0.0945	0.0945	0.0945	0.0945	0.0900	0.0900	0.0900	0.0900
Darlington	0.0836	0.0890	0.0890	0.0890	0.0890	0.0890	0.0900	0.0900	0.0900	0.0900
Thelma	-	-	-	-	-	-	-	-	-	-
Littleton	0.0515	0.0534	0.0534	0.0534	0.0534	0.0534	0.0460	0.0460	0.0460	0.0460
Brinkleyville	-	-	-	-	-	-	-	-	-	-
Arcola	0.0628	0.0677	0.0677	0.0677	0.0677	0.0677	0.0700	0.0700	0.0700	0.0700
Enfield	0.0846	0.0890	0.0690	0.0690	0.0690	0.0690	0.0700	0.0700	0.0700	0.0700
Halifax	0.0716	0.0728	0.0728	0.0728	0.0728	0.0728	0.0726	0.0726	0.0726	0.0726
Hobgood	0.0650	0.0685	0.0685	0.0685	0.0685	0.0685	0.0719	0.0719	0.0719	0.0719
Scotland Neck	0.0655	0.0690	0.0690	0.0690	0.0690	0.0690	0.0700	0.0700	0.0700	0.0700
Weldon	0.0857	0.0894	0.0894	0.0894	0.0894	0.0894	0.0845	0.0845	0.0845	0.0845
Tillery	0.0447	0.0475	0.0475	0.0475	0.0475	0.0475	0.0500	0.0500	0.0500	0.0500
Hospital District										
Our Community Hospital	-	-	-	0.1244	0.1244	0.1244	0.1200	0.1200	0.1200	0.1200

Source: State Department of Revenue, Bureau of Property Tax

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

<u>2020</u>				<u>2011</u>			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Kapstone Kraft Paper Corporation	157,269,825	1	3.81%	Westmoreland LG & E	132,792,508	1	3.74%
Dominion North Carolina Power	142,082,364	2	3.45%	Kapstone Kraft Paper Corporation	115,637,363	2	3.25%
Klausner Lumber Two LLC	117,053,216	3	2.84%	Dominion-Virginia Power	89,917,223	3	2.53%
Reser's Fine Foods, Inc.	85,850,564	4	2.08%	Reser's Fine Food, Inc.	32,924,777	4	0.93%
Piedmont Natural Gas Co Inc	42,808,178	5	1.04%	CSX Transportaton Inc	23,509,637	5	0.66%
Carolina Chips	39,664,867	6	0.96%	Carolina Telephone & Telegraph	20,109,678	6	0.57%
Kennametal Inc.	35,798,264	7	0.87%	Halifax EMC	18,637,360	7	0.52%
Roseburg Resources Co	21,818,900	8	0.53%	Kennametal Inc.	17,235,234	8	0.48%
CSX Transportation Inc.	20,994,862	9	0.51%	Safelite Glass Corp	14,944,424	9	0.42%
Halifax EMC	19,730,852	10	0.48%	Rae-Me North Carolina LLC	13,462,313	10	0.38%
Totals	<u>\$ 683,071,892</u>		<u>16.57%</u>		<u>\$ 479,170,517</u>		<u>13.48%</u>

Source: State Department of Revenue, Bureau of Property Tax

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

Fiscal Year	Taxes Levied			Collected within the			Total Collections to Date		
	for the Fiscal Year			Fiscal Year of the Levy					
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
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	27,873,778	98.14%	
2018	27,844,345	(126,947)	27,717,398	27,173,640	98.04%	307,573	27,481,213	98.04%	
2017	28,106,071	(376,183)	27,729,888	27,171,621	97.99%	376,985	27,548,606	97.99%	
2016	25,417,962	(77,587)	25,340,375	24,322,725	95.98%	865,906	25,188,631	95.98%	
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%	
2013	24,605,980	(54,841)	24,551,139	23,787,576	96.89%	608,288	24,395,864	99.37%	
2012	24,462,488	(3,436)	24,459,052	23,736,795	97.05%	587,963	24,324,758	99.45%	
2011	24,229,651	(31,165)	24,198,486	23,425,324	96.80%	649,282	24,074,606	99.49%	

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			
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
2013	21,362,314	-	21,362,314	2.4%	0.59%	395.55
2012	22,065,000	-	22,065,000	2.4%	0.61%	403.45
2011	22,629,000	-	22,629,000	2.3%	0.64%	416.85

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, 2020

Governmental Unit	Debt Outstanding (in 000s)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Halifax County	\$ 26,175	100%	\$ -
Underlying:			
Enfield	-	100	-
Halifax	-	100	-
Littleton	-	100	-
Roanoke Rapids	-	100	-
Scotland Neck	-	100	-
Weldon	-	100	-
Total	<u>\$ 26,175</u>		<u>\$ -</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 Name of Government. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Installment Note Payable	Certificate of Participation	Qualified Zone Academy Bond	Qualified School Construction Bond	Manning Elementary School	General Obligation Bonds	Water Revenue Bonds	Notes Payable				
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	401	212	8,485	1,642	2,489	14,480	16,699	2,454	1,683	48,545	4.70%	959.88	
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%	800.39	
2014	174	5,159	10,200	1,642	2,213	-	20,576	2,687	2,862	45,513	4.63%	832.92	
2013	223	5,560	11,050	1,642	2,383	-	21,362	-	1,743	43,963	4.86%	814.04	
2012	271	6,314	11,900	1,642	2,553	-	22,065	-	-	44,745	4.75%	818.14	
2011	314	7,463	12,750	1,642	-	-	22,629	-	-	44,798	4.61%	825.22	

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Value of Property	\$ 4,122,681	\$ 3,696,686	\$ 3,565,647	\$ 3,539,447	\$ 3,466,281	\$ 3,655,383	\$ 3,735,340	\$ 3,610,462	\$ 3,593,235	\$ 3,555,062
Debt limit, 8%of Assessed Value (Statutory Limitation)	329,814	295,735	285,252	283,156	277,302	292,431	298,827	288,837	\$ 287,459	\$ 284,405
Amount of Debt Applicable to Limit	329,814	295,754	285,252	283,156	277,302	292,431	298,827	288,837	287,459	284,405
General Obligation Bonds	15,549	15,549	17,824	18,033	18,909	19,756	20,576	21,362	22,065	22,629
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Installment purchase contracts**	25,933	25,933	29,857	31,646	34,014	20,861	22,076	22,378	22,409	21,906
Capital Leases	242	242	314	-	141	158	175	223	272	
Revenue Bonds	2,405	2,405	2,502	2,549	2,595	2,640	2,687	2,687		
Total net debt applicable to limit	44,129	44,129	50,497	52,228	55,659	43,415	45,514	46,650	44,746	43,971
Legal debt margin	\$ 285,685	\$ 251,625	\$ 234,755	\$ 230,928	\$ 221,643	\$ 249,016	\$ 253,313	\$ 242,187	\$ 242,713	\$ 240,434
Total net debt applicable to the limit as a percentage of debt limit	13.38%	14.92%	17.70%	18.44%	20.07%	14.85%	15.23%	16.15%	15.57%	15.46%

**Installment Debt includes COPS, QZAB and
Installment Purchases

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

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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
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%
2013	54,006	905,033	16,758	7,396	13.4%
2012	54,691	941,943	17,223	7,742	13.2%
2011	54,286	970,959	17,886	8,455	13.7%

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vidant North Hospital (formerly HRMC)	654	1	13.09%	859	1	16.28%
County of Halifax	506	2	10.12%	535	3	10.14%
Westrock (Kapstone)	438	3	8.76%	485	4	9.19%
Roanoke Rapids City Schools	375	4	7.50%	389	5	7.37%
Reser's Fine Foods	340	5	6.80%	250	8	4.74%
Don Pancho	300	6	6.00%			0.00%
Halifax County Schools	295	7	5.90%	700	2	13.27%
PCB Piezotronics	273	8	5.46%	174	13	3.30%
AAA Carolinas	236	9	4.72%	298	7	5.65%
Rural Health Group (Halifax only)	222	10	4.44%			0.00%
Weldon City Schools	190	11	3.80%	199	11	3.77%
New Dixie Oil	186	12	3.72%	244	10	4.62%
City of Roanoke Rapids	154	13	3.08%	133	15	2.52%
Halifax Community College	135	14	2.70%	250	9	4.74%
AEL Span (located in former Safelite Bldg)	132	15	2.64%			0.00%
Wal-mart, Inc.	130	16	2.60%	300	6	5.69%
Meherrin River Forest Products (located in former Coastal Lumber Bldg)	120	17	2.40%			0.00%
Kennametal	112	18	2.24%	130	16	2.46%
Halifax Linen Service	103	19	2.06%	155	14	2.94%
Patch Rubber	97	20	1.94%	175	12	3.32%
Total	4,998		100.00%	5,276		100.00%

Source: State Department of Commerce.

Note: The remaining 3 employers information for 2011 is not available.

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Justice and law enforcement	99	94	108	105	106	98	95	91	91	91
Health and human services	323	319	310	255	253	253	248	262	263	263
Environment, parks, and education	3	2	3	3	7	7	7	7	7	5
Public works	24	25	22	19	24	24	24	17	17	20
General government	100	103	104	157	167	187	185	168	168	152
Total	549	543	547	539	557	569	559	545	546	531

Source: County Budget Office.

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sheriff										
Volume of calls	44,050	44,900	41,239	51,033	50,914	43,657	37,425	37,196	37,442	38,489
Incident reports filed	1,724	1,204	2,114	2,242	2,336	2,370	2,515	2,257	2,431	2,706
EMS										
Volume of calls	12,710	12,742	12,793	12,586	12,632	12,753	12,925	13,483	12,859	12,553
Response time (in minutes)	9.82	11.00	10.18	9.82	9.80	9.69	9.80	8.89	8.75	2.1
Transports	8,312	8,714	8,807	8,777	8,936	9,161	9,436	10,176	9,154	9,100
Water										
New connections	139	34	78	64	72	85	130	82	75	111
Water mains breaks	10	8	11	12	15	13	12	11	14	2
Average daily consumption (thousands of gallons)	2,529,836	2,424,852	2,389,850	2,513,403	2,390,509	2,181,290	2,485,378	2,265,000	2,610,060	2,136,173

Sources: Various government departments.

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

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public safety										
Sheriff										
Stations	2	2	2	2	2	2	2	1	1	1
Patrol units	69	69	100	32	91	87	86	40	40	40
EMS										
Stations	6	6	6	6	6	6	6	6	6	6
Ambulances/QRV'S	21	21	21	21	21	21	21	21	20	20
Water										
Water mains (miles)	618	618	618	618	618	618	614	568	568	566
Fire hydrants	1,837	1,837	1,837	1,837	1,837	1,837	1,820	1,622	1,622	1,615
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	10

Sources: Various county departments.

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

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, North Carolina**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2020, and the related notes to the financial statements which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 17, 2020. 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 the County's financial statements. The financial statements of the Halifax County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinions 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, which we consider to be a material weakness.

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 Standard*.

Halifax County, North Carolina's Response to the Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Columbia, South Carolina
December 17, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

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

Report on Compliance for 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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 of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 17, 2020

**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 UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

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

Report on Compliance for Each Major State Program

We have audited **Halifax County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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 of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

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

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 17, 2020

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments
			Federal	State	To Subrecipients All
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		\$ 315,468	\$ -	\$ -
Supplemental Nutrition Assistance Program:					
SNAP Administration	10.561		839,473	-	-
SNAP Fraud Administration	10.561		1,791	-	-
Supplemental Nutrition Assistance Program Cluster			841,264	-	-
Total U.S. Department of Agriculture			1,156,732	-	-
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	231,132	-	-
Bulletproof Vest Program	16.607	n/a	8,412	-	-
2017 Byrne Justice Assistance Grant	16.738	2017-DJ-BX-0129	24,000	-	-
Total U.S. Department of Justice			263,544	-	-
U.S. Department of Homeland Security:					
Passed through NC Department of Public Safety					
Homeland Security Grant Program	97.067	EMW-2019-SS-00057	40,375	-	-
Total U.S. Department of Homeland Security			40,375	-	-
U.S. Department of Transportation:					
Passed through NC Department of Transportation					
Highway Planning and Construction Cluster	20.205	48232.4.14	43,275	-	-
Total U.S. Department of Transportation			43,275	-	-
U.S. National Foundation on the Arts and the Humanities					
Passed through NC Department of Cultural Programs					
LSTA Continuing Education	45.310	LS-00-19-0034-19	2,427	-	-
Total U.S. National Foundation on the Arts and the Humanities			2,427	-	-
U.S. Department of Treasury:					
Passed through NC Pandemic Recovery Office					
COVID 19 - CARES Act Coronavirus Relief Funds	21.019		52,464	-	-
Total U.S. Department of Treasury			52,464	-	-
U.S. Department of Health and Human Services					
Passed through Upper Coastal Plains Council of Governments					
Aging Cluster:					
USDA Supplement	93.053		22,882	-	-
Access Services	93.044		61,080	30,310	-
Home-Delivered Meals	93.045		182,048	42,340	-
In-Home Services	93.044		49,740	244,518	-
Total Aging Cluster			315,750	317,168	-
Passed through NC Department of Health and Human Services					
Temporary Assistance for Needy Families:					
Temporary Assistance for Needy Families (TANF)	93.558		14,871	-	-
TANF - Work First Administration	93.558		9,637	-	-
TANF - Work First Service	93.558		391,061	-	-
Special Children Adoption	93.558		-	4,642	-
Total Temporary Assistance for Needy Families Cluster			415,569	4,642	-
Foster Care Program:					
IV-E CPS	93.658		95,627	42,104	-
IV-E Foster Care Trn	93.658		8,676	-	-
IV-E Foster Care/Off Trn	93.658		222,593	-	-
IV-E Foster Care	93.658		189,853	-	-
Total Foster Care			516,749	42,104	-
Adoption Program:					
IV-E Adoption/Off Trn	93.659		31,110	-	-
Total Adoption			31,110	-	-
Medicaid:					
Adult Care Home Case Management	93.778		4,382	1,211	-
State County Special Assistance	93.778		151,827	-	-
Medical Assistance - Administration	93.778		2,018,035	-	-
Medical Transportation Services	93.778		174,371	-	-
MAC	93.778		28,701	-	-
Total Medicaid Cluster			2,377,316	1,211	-

Continued

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments
			Federal	State	To Subrecipients All
FEDERAL AWARDS (Continued)					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements (Ebola)	93.074		\$ 36,528	\$ -	\$ -
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		35,433	-	-
Health Start Initiative	93.926		143,491	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization	93.539		22,086	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		3,785	-	-
COVID-19 Crisis Response	93.354		74,181	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977		30,921	-	-
Maternal and Child Health Services Block Grant	93.994		219,064	164,317	-
Family Planning	93.217		62,307	-	-
Statewide Health Promotion Program	93.991			-	-
Passed through North Carolina Department of Health and Human Services					
Social Services Block Grant:					
Social Services Block Grant	93.667		479,659	-	-
Social Services Block Grant - In Home Services	93.667		3,560	-	-
Social Services Block Grant - In Home Services over 60	93.667		10,097	-	-
Social Services Block Grant - Adult Daycare	93.667		25,675	25,895	-
Social Services Block Grant - Adult Daycare over 60	93.667		-	4,091	-
Social Services Block Grant - Child Protective Services Temporary	93.667		121,254	-	-
Passed through Upper Coastal Plains					
Social Services Block Grant - In Home Services	93.667	NC 01	27,795	794	-
Total Social Services Block Grant			668,040	30,780	-
Family Preservation	93.556		1,568	-	-
Low Income Home Energy Assistance Program:					
Crisis Intervention Payments	93.568		543,982	-	-
Low Income Energy Administration	93.568		68,912	-	-
Low Income Energy Assistance	93.568		482,131	-	-
Total Low Income Home Energy Assistance Grant			1,095,025	-	-
Permanency Planning - Service & Admin	93.645		23,883	-	-
Independent Living Program:					
Chafee Foster Care Independence Program	93.674		8,316	2,079	-
Total Independent Living Grant			8,316	2,079	-
Child Support Enforcement Program:					
IV-D Administration	93.563		1,073,704	-	-
IV-D Offset Fees - Esc	93.563		73	-	-
IV-D Offset Fees - Federal	93.563		8,779	(765)	-
Total Child Support Enforcement Grant			1,082,556	(765)	-
Children's Health Insurance Program (CHIP):					
Children's Health Insurance Program	93.767		91,648	2,164	-
Total Child Support Enforcement Grant			91,648	2,164	-
Child Care Mandatory and Matching Funds:					
Child Care and Development Fund - Administration	93.596		80,265	-	-
AFDC Payments and Penalties	93.560		(420)	123	-
Passed through North Carolina Department of Insurance					
SHIIP	93.324	90SAPG0027-03-01	5,592	-	-
Total U.S. Department of Health and Human Services			7,340,763	563,823	-
TOTAL FEDERAL AWARDS			8,899,580	563,823	-
Continued					

Continued

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments
			Federal	State	To Subrecipients All
STATE AWARDS					
Division of Public Health					
Food and Lodging Fees			\$ -	\$ 11,555	\$ -
General Aid to Counties			-	141,183	-
General Communicable Disease Control			-	2,293	-
Positive Parenting Program (Triple P)			-	145,929	-
Child Health			-	146,359	-
HIV/STD State			-	100	-
School Nurse Funding Initiative			-	250,000	-
Family Planning - State			-	27,390	-
Maternal Health			-	33,233	-
Women's Health Service Fund			-	10,241	-
TB Control			-	68,870	-
Total Division of Public Health			-	837,153	-
Division of Social Services					
State Child Welfare			-	96,113	-
DCD Smart Start			-	31,435	-
Energy Assistance Private Grants			-	4,064	-
Total Division of Public Health			-	131,612	-
Total North Carolina Department of Health and Human Services			-	968,765	-
North Carolina Department of Environmental and Natural Resources					
Division of Natural Resources:					
Economic and Physical Development State Grant			-	3,600	-
State Cost Share			-	19,111	-
Division of Waste Management:					
Scrap Tire Program		DEQ-8	-	1,900	-
Total North Carolina Department of Environmental and Natural Resources			-	24,611	-
North Carolina Department of Cultural Resources					
State Aid to Public Libraries			-	96,921	-
Total North Carolina Department of Cultural Resources			-	96,921	-
North Carolina Department of Public Safety					
Emergency Management - Supplement Award			-	38,904	-
Local Emergency Planning Committee (LEPC) Tier II			-	971	-
Total North Carolina Department of Public Safety			-	39,875	-
North Carolina Department of Transportation					
Rural General Public Transportation			-	101,232	-
Elderly and Handicapped Transportation			-	89,472	-
Work First Transportation			-	18,464	-
Total Rural Operating Assistance Program (ROAP)			-	209,168	-
Total North Carolina Department of Transportation			-	209,168	-
North Carolina Department of Corrections					
Criminal Justice			-	92,319	-
Total North Carolina Department of Corrections			-	92,319	-
North Carolina Department of Insurance					
SHIIP Funds			-	2,542	-
Total North Carolina Department of Insurance			-	2,542	-
North Carolina Public Instruction					
Public School Building Capital Fund - Lottery Funds			-	455,771	455,771
Total North Carolina Housing Finance Agency			-	455,771	455,771
TOTAL STATE AWARDS			-	1,889,972	455,771
TOTAL FEDERAL AND STATE AWARDS			\$ 8,899,580	\$ 2,453,795	\$ 455,771

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, 2020. 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 cost rate as allowed under the Uniform Guidance.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

SECTION I SUMMARY OF AUDITOR'S 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 weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

Material weaknesses identified: ☐ yes ☒ no

Significant deficiencies identified: ☐ yes ☒ none reported

Type of auditor's report issued on compliance of 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>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Cluster
93.563	Child Support Enforcement
16.540	Juvenile Justice

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, 2020

SECTION I SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

Material weaknesses identified:

_____ yes X no

Significant deficiencies identified:

_____ yes X none reported

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

Unmodified

Any audit findings disclosed that are require to be reported

In accordance with the State Single Audit Implementation Act?

_____ yes X no

Identification of major state programs:

Program Name _____

Positive Parenting Program

School Nurse Funding Initiative

Public School Building Capital Fund – Lottery Proceeds

Rural Operating Assistance Program (ROAP)

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Revenue Recognition and Related Accounts

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 revenues and related accounts.

Condition: Misstatements were detected in the reconciliation and reporting of certain revenues of the County for the year ended June 30, 2020.

Context/Cause: During our testing of the revenues and related accounts reported by the County in the Solid Waste Landfill Fund, issues were identified that required audit adjustments to be posted to properly report the balances. The nature and magnitude of these adjustments are as follows:

- County policy is to carry and report the receivable for household solid waste fees until the balance becomes ten (10) years old as older amounts are not legally collectible. During our testing of these accounts receivable balances in the current year, we noted amounts older than ten (10) years were still reflected in the Solid Waste Landfill Fund and thus an audit adjustment was required to properly report the receivables, allowance for uncollectible accounts, and revenues in the amounts of \$79,739, \$19,935 and \$59,805, respectively.
- The Solid Waste Landfill Fund was also reflecting a deferred inflow of resources for unavailable household solid waste fees. While the fees are billed on the County's annual property tax bills, the fund should account for the revenue under the accrual basis of accounting, under which the availability criteria is not applicable. As such, an audit adjustment in the amount of \$119,734 was required to properly report these items as of June 30, 2020.

Effects: Audit adjustments totaling \$279,213 were needed to correct the Solid Waste Landfill Fund's revenues and related accounts for the year ended June 30, 2020.

Recommendation: We recommend the County carefully review all revenues and the related accounts to ensure they are reported in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding and are currently implementing controls to ensure these year-end adjustments are considered and reflected in the general ledger, as appropriate.

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION III
FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2019-001 Equity Recognition

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.

Context/Cause: During our testing, audit adjustments were required to properly report the County's equity balances for business-type funds.

Current Status: Corrected.

2019-002 Allowance for Long-term Receivable

Criteria: Internal controls should be in place to ensure that amounts reported as receivables are appropriate and properly valued in accordance with generally accepted accounting principles.

Context/Cause: During our testing of the County's accounts receivable in the Solid Waste Landfill Fund, we noted the long-term receivable was not allowed for. In accordance with generally accepted accounting principles (GAAP), the long term receivable should be allowed for, as the likelihood of collecting on the receivable is unsure.

Current Status: Corrected.

2019-003 Monthly Reporting Requirements – Positive Parenting Program

Criteria: In accordance with the grant agreement for the Positive Parenting Program (Triple P) between the North Caroling Department of Public Health and Halifax County Health Department, the County Health Department is required to submit monthly reports to the Aid-to-Counties (ATC) site by the 10th of every month showing the monthly expenditures and reimbursements.

Context/Cause: During our testing of the Triple P program, we reviewed the 12 ATC reports submitted by the County. Documentation was not kept to verify the timely submission of the reports.

Current Status: Corrected.



**State of North Carolina
County of Halifax**

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

TONY N. BROWN
COUNTY MANAGER

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2020-001 Revenue Recognition and Related Accounts

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

Corrective Action Plan: We are currently implementing controls to ensure these year-end adjustments are considered and reflected in the general ledger, as appropriate

Anticipated Completion Date: June 30, 2021.