

REVIEWED

By SLGFD at 9:27 am, Jan 11, 2022

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

**Prepared by:
Office of Budget and Finance**

**Submitted by:
Mary W. Duncan
Finance Director**

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
Letter of Transmittal.....	i-vii
GFOA Certificate of Achievement	viii
List of Principal Officials.....	ix
Organizational Chart.....	x
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion & Analysis	4-13
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position.....	14 and 15
Statement of Activities.....	16 and 17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position.....	19
Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities.....	21
General Fund – Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual (Non-GAAP)	22
Statement of Net Position – Proprietary Funds.....	23
Statement of Revenues, Expenses, and Changes in Net	
Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Position – Fiduciary Fund	26
Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	27
Notes to Financial Statements.....	28-69
Required Supplementary Information:	
Schedule of Changes in the County's Total OPEB Liability and Related Ratios – OPEB Retirement Plan	70
Schedule of County's Proportionate Share of Net Pension Liability (Asset) – LGERS.....	71

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	Page Number
Required Supplementary Information (Continued):	
Schedule of County's Contributions – LGERS	72
Notes to Required Supplementary Information – LGERS	73
Schedule of Changes in Total Pension Liability – LEOSA	74
Schedule of Total Pension Liability as a Percentage of Covered Payroll – LEOSA	75
Schedule of County's Proportionate Share of Net Pension Liability (Asset) – Register of Deeds	76
Schedule of County's Contributions – Register of Deeds	77
Notes to Required Supplementary Information – Register of Deeds	78
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	79 and 80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	81 and 82
General Fund – General Department – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	83-89
General Fund – Public Health Department – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	90-92
General Fund – Social Services Department – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	93
General Fund – Emergency Management Services Department – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	94
General Fund – Reassessment Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	95
Emergency Telephone System – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	96
Our Community Hospital Center – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	97
Weldon School District Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	98
Local Fire Districts – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	99
Roanoke Rapids School Graded District Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	100
Halifax County School District Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis)	101

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	Page Number
Combining and Individual Fund Statements and Schedules (Continued):	
COVID-19 Relief Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	102
Representative Payee Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	103
Economic Development Fund – Manning Elementary School Project Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	104
Economic Development Fund – JBB Packaging – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	105
Economic Development Fund – Project Freebird – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	106
Economic Development Fund – Industrial Building – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	107
RPO Peanut Belt Capital Project Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	108
4H Recreation Project – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis).....	109
Solid Waste Landfill – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	110
Solid Waste Landfill - Landfill Closure Capital Reserve Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	111
Solid Waste Landfill - White Goods Handling Facility – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	112
Solid Waste Landfill - Electronic Management Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	113
Solid Waste Landfill - Tire Disposal Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	114
Solid Waste Landfill - Ash Monofill Project – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	115
Solid Waste Landfill – C&D Landfill Project – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis).....	116

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	Page Number
Combining and Individual Fund Statements and Schedules (Continued):	
Water Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis)	117
Water Fund - Water Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis)	118
Combining Statement of Net Position – Internal Service Funds	119
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	120
Combining Statement of Cash Flows – Internal Service Funds	121
Health Insurance Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis)	122
Unemployment Insurance Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Basis)	123
Schedule of Ad Valorem Taxes Receivable	124
Analysis of Current Tax Levy – County-wide Levy	125
Analysis of Current Tax Levy – Secondary Market Disclosure	126
STATISTICAL SECTION	
Net Position by Component – Last Ten Fiscal Years	127
Changes in Net Position – Last Ten Fiscal Years	128 and 129
Fund Balances – Governmental Funds – Last Ten Fiscal Years	130
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	131
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	132
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	133
Principal Property Taxpayers – Current Year and Nine Years Ago	134
Property Tax Levies and Collections – Last Ten Fiscal Years	135
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	136
Direct and Overlapping Governmental Activities Debt	137
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	138
Legal Debt Margin Information – Last Ten Fiscal Years	139
Demographic and Economic Statistics – Last Ten Fiscal Years	140
Principal Employers – Current Year and Nine Years Ago	141
Full-time Equivalent County Government Employees by Function – Last Ten Fiscal Years	142
Operating Indicators by Function – Last Ten Fiscal Years	143
Capital Asset Statistics by Function – Last Ten Fiscal Years	144

HALIFAX COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

	Page Number
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 <i>Government Auditing Standards</i>	145 and 146
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	147 and 148
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	149 and 150
Schedule of Expenditures of Federal and State Awards	151-153
Schedule of Findings and Questioned Costs	154-160
Schedule of Prior Audit Findings	161
Management's Corrective Action Plan	162

INTRODUCTORY SECTION



State of North Carolina

County of Halifax

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

DIA H. DENTON
INTERIM COUNTY MANAGER

December 20, 2021

Board of County Commissioners
and the Citizens of Halifax County

We are pleased to present the annual comprehensive financial report (ACFR) of Halifax County, North Carolina, for the fiscal year ended June 30, 2021. 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 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.

Where the Spirit of Independence Was Born

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 48,622. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,229.

The County also appropriates funding for certain boards, agencies and commissions to assist their efforts in serving citizens. Among these are the Halifax County Board of Education, the Weldon City Board of Education, the Roanoke Rapids Graded School District, Halifax Community College, and the Upper Coastal Plain Council of Governments. Because County allocations do not constitute a major portion of their revenues and the County has no authority to designate their management, none of these organizations have been included in this report.

Economic Conditions and Outlook

Halifax County’s economy is strongly rooted in healthcare, tourism, manufacturing, and agriculture. The County ranks #1 in cotton and #3 in peanut production in North Carolina. Major manufacturing sectors represented in Halifax County include plastics manufacturing; forest products, including paper; food processing; and advanced manufacturing. Vidant North Hospital and Rural Health Group have a significant medical presence in Halifax County that enhance the quality of life for residents of Halifax County.

While the impacts of the Coronavirus pandemic were tremendous across our state and nation, Halifax County the past year showed improvement and a path to recovery. Effective vaccines, record government stimulus support, and pent-up demand have helped fuel a visible turnaround. While unemployment averaged 8.5% for FY 2021, the labor force remained steady at 20,217 compared to 20,328 in FY 2021. Gross retail sales were \$617,228,302 compared to \$526,737,893 the previous fiscal year, a 17.2% increase. Building permit values increased by 31.2%, from \$22,225,286 to \$35,574,069. Halifax County’s GDP increased by 3.4% from 2018 to 2019, ranking the County 39th in the state in real GDP growth, a sign of a growing economy.

Where the Spirit of Independence Was Born

In Fiscal Year 2020-2021, several expanding industrial projects were completed, and new projects announced resulting in new job creation and investment in Halifax County and diverse employment opportunities for our citizens.

Recent Initiatives

Major commercial projects underway or completed in 2020-2021 include:

- The 290,000 SF Becker Village Mall was sold to a Chapel Hill developer who has begun revitalization of the facility with a focus on warehousing/distribution in the large box spaces at the facility.
- PNC Bank Building in Roanoke Rapids was sold to a Chapel Hill developer who will create office and co-working spaces to rent to various business interests.
- Renovation of the Roanoke Hotel in Halifax is complete with all eleven boutique apartments rented.
- Landings of Lake Gaston, a 50-unit assisted living facility, opened its doors in 2021 creating 30 jobs and offering care for seniors that do not require a high degree of medical assistance.
- With support from the Ed Fitts Charitable Foundation, Littleton's Main Street revitalization continues with the opening of the Blue Jay Bistro restaurant, Daphne's Coffee, and Main Street Wines. The Foundation is supporting the renovation of the former Littleton High School as a private school to serve low-income students as well as traditional families with a curriculum aimed at channeling local students both into college and the trades.
- Halifax Community College completed construction of the Advanced Manufacturing & Corporate Training Center at Halifax Community College, which will focus on training for advanced manufacturing through its RAMP East program.
- Construction of the Premier Boulevard Extension and four-laning of NC Highway 125 continues with plans for completion in the first quarter of 2022. The project is already stimulating new commercial investment with the announcement of Discovery Toyota's \$8 million expansion project that will pave the way for additional investment at this new Super Exit.
- The Public Utilities water meter replacement program continues with the goal of keeping manual reads under 500 meters. Two elevated tank mixers were installed last FY and one additional mixer is budgeted for FY 21-22.
- Public Utilities recently established online payment capabilities have been especially beneficial due to pandemic protocols. Solid Waste payments can now be accepted online in addition to water bill payments.

Where the Spirit of Independence Was Born

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 increased as the airport has grown into a stopping point for long distance pilots. The authority received several pots of CARES funds which enabled them to install a generator and make improvements to the security systems.

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 County continues to focus on information technology efforts. Travel was non-existent and Zoom became the new means of training and in-person visits. The County received a large ARPA allocation and will be using those funds to make improvements in areas which benefit all taxpayers.

The County provided the three public school systems with \$5,695,570.61 in current expense and \$5,321,225.20 in capital outlay funds. Halifax Community College received \$1,187,851 in operating funds and \$179,027 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. The final, balloon payment for the Roanoke Rapids Graded School District's QZAB debt service was paid in December, 2020.

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:

- 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.

Where the Spirit of Independence Was Born

- Transfer Station debt service will be retired FY 2021-2022. The current Solid Waste Services Contract term ends June 30, 2023 and Solid Waste Advisory Committee continues to meet regularly to develop the next RFP for the new Solid Waste Services Contract.
- The Water and Solid Waste Divisions both face challenges from upcoming retirement of managerial staff. In order to address the issue for Solid Waste, the currently unfunded position of Assistant O&M Supervisor may be reestablished.
- Aging infrastructure and equipment will continue to be a challenge for both divisions. American Rescue Plan funding may be one option to assist the Water Division. Funding would be used to rehab water and wastewater pump stations, and possibly add a water booster station.

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 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 over compliance, 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, 2021, provided no instances of material weaknesses in internal controls over compliance 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.

Where the Spirit of Independence Was Born

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

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Uniform Guidance along with the State Single Audit Implementation Act. The auditors' report on the General-Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports related specifically to the single audit are included in the Compliance Section.

Annual Comprehensive 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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the 22nd 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 annual comprehensive 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 annual comprehensive 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,



Dia H. Denton
Interim County Manager



Mary W. Duncan
Finance Director

Where the Spirit of Independence Was Born



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Halifax County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2021

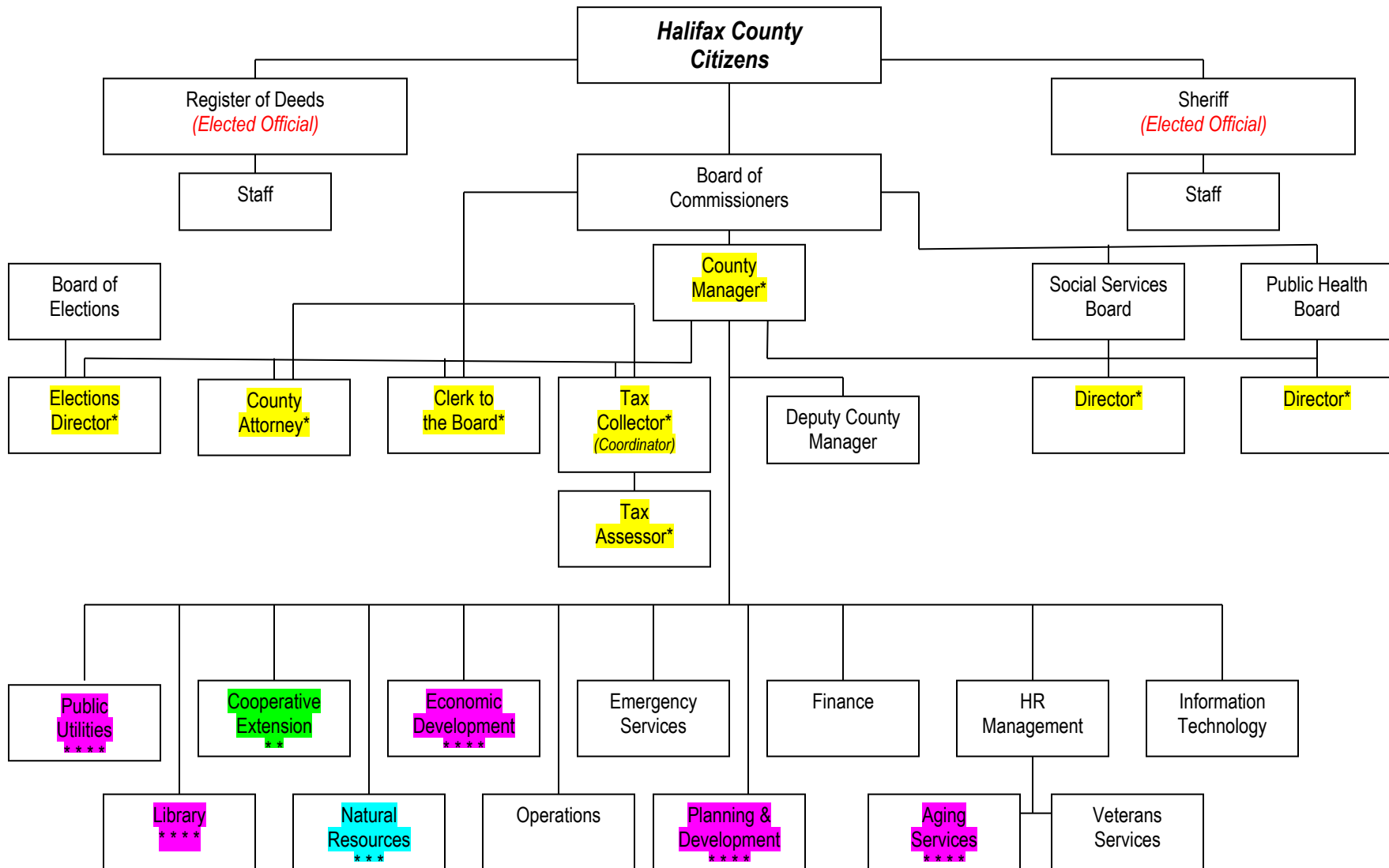
Board of Commissioners

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



*Reports to a Governing Board

**Director is a State Employee (NCSU)

***Director is a Federal Employee

****Coordinates with an Advisory Board

November 1, 2019

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Halifax County
Halifax, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Halifax County, North Carolina (the "County")**, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Halifax County ABC Board, which represents 74%, 69%, 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, 2021, 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.

Emphasis of Matter

Halifax County implemented the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the County's fiduciary activities. Our opinions are not modified with respect to this matter.

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 Retirement 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 4-13, 70, 71, 72, 73, 74, 75, 76, 77 and 78, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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

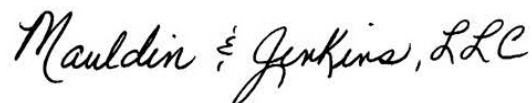
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund statements and schedules, the schedule of expenditures of federal and state awards as required by 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, 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 20, 2021, 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 20, 2021

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, 2021. It is intended to provide a broad overview using a short-term and long-term analysis of the County’s activities based on information presented in the financial report and fiscal policies that have been adopted by the Board of County Commissioners.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of Halifax County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,303,550. The County’s net position of governmental activities exhibited an increase of \$10,697,852 with the business-type activities showing an increase of \$183,633, resulting in the government’s total net position increasing by \$10,881,485.

As of the close of the current fiscal year, Halifax County’s governmental funds reported combined ending fund balances of \$50,220,144 after a net increase of \$8,081,467. Of this total amount, 44.4% or \$22,313,083 is restricted or non-spendable.

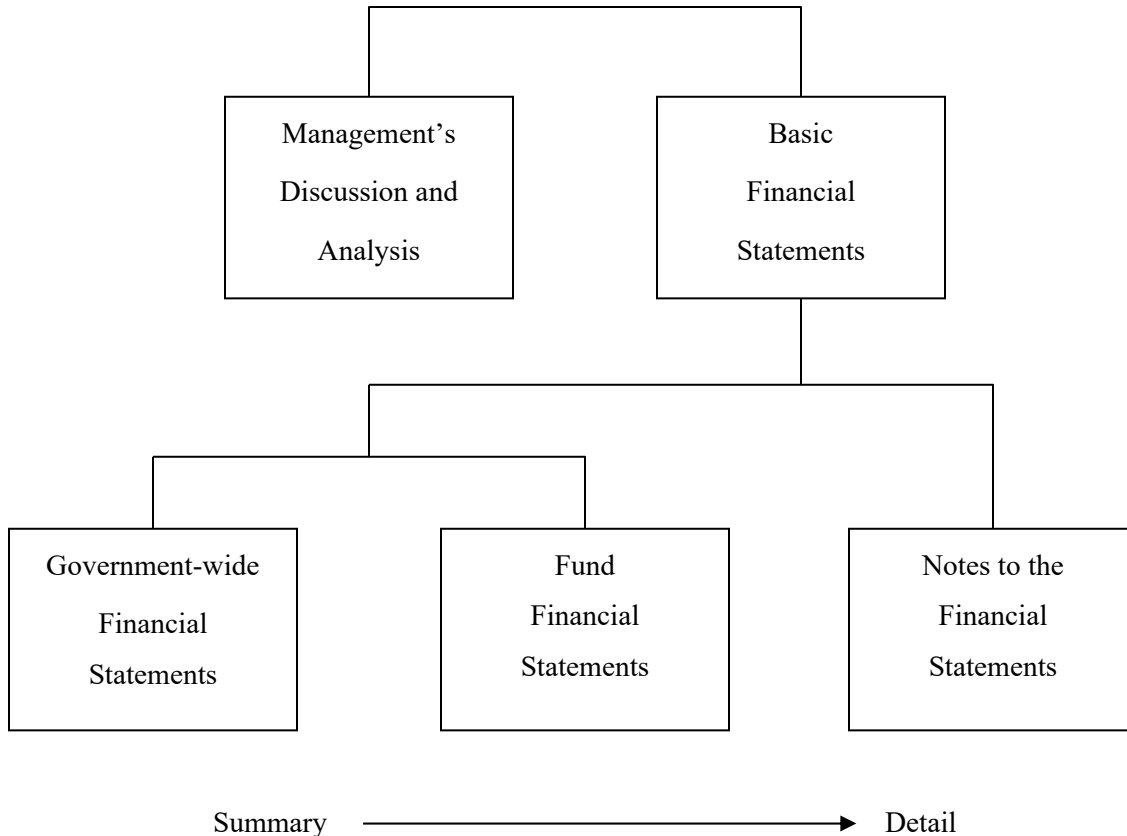
The County’s unassigned fund balance for the General Fund was \$24,435,392, or 40.3%, of net General Fund expenditures and transfers at the close of the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

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

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

The next section is the **Notes to the Financial Statements**. The notes explain in detail some of the data contained in the statements. Following the notes, **Supplemental Information** provides details of the County's non-major governmental funds and internal service funds, which are combined in one column on the basic financial statements. Budgetary information required by the State of North Carolina General Statutes can also be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements include a **Statement of Net Position** and a **Statement of Activities** which provide short and long-term information about the County's financial status as a whole.

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The government-wide financial statements include not only the County itself (primary government), but also the ABC Board and the Tourism Development Authority. The Halifax County ABC Board is legally separate from the County, however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County. Financial information for these component units is reported separately from the financial information presented for primary government.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements with the major difference being how the funds can be readily converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. The relationship

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budget basis of accounting and is presented using the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual revenue or expenditures.

Proprietary Funds

The County maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report in greater detail the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its utility system and solid waste system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various departments. The County uses internal service funds to account for the Health Insurance Fund and the 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 government-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: Tax Custodial Fund. Custodial funds are used to account for assets the County holds on behalf of others. The County maintains the Tax Collection Custodial Fund, which accounts for the collection and disbursement of tax revenues to municipalities within the County.

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 annual report. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found on pages 70 through 78 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Halifax County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and Other Assets	\$ 61,031,317	\$ 47,160,052	\$ 9,068,992	\$ 8,878,735	\$ 70,100,309	\$ 56,038,787
Restricted assets	1,419,195	2,928,227	99,074	98,031	1,518,269	3,026,258
Capital assets	18,478,210	19,361,823	29,035,818	30,722,021	47,514,028	50,083,844
Total Assets	80,928,722	69,450,102	38,203,884	39,698,787	119,132,606	109,148,889
Deferred Outflows of Resources	8,834,394	6,349,442	222,117	190,802	9,056,511	6,540,244
Liabilities:						
Current Liabilities	10,758,130	7,510,555	1,984,356	1,888,234	12,742,486	9,398,789
Non-current liabilities	43,281,012	43,398,808	22,386,868	24,123,118	65,667,880	67,521,926
Total liabilities	54,039,142	50,909,363	24,371,224	26,011,352	78,410,366	76,920,715
Deferred Inflows of Resources	1,465,622	1,329,681	9,579	16,672	1,475,201	1,346,353
Net Position:						
Net investment in capital assets						
assets	15,410,841	14,500,906	10,811,855	11,204,510	26,222,696	25,705,416
Restricted	21,412,545	21,170,154	-	-	21,412,545	21,170,154
Unrestricted	(2,565,034)	(12,110,560)	3,233,343	2,657,055	668,309	(9,453,505)
Total Net Position	\$ 34,258,352	\$ 23,560,500	\$ 14,045,198	\$ 13,861,565	\$ 48,303,550	\$ 37,422,065

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$48,303,550 at fiscal year-end. Net position increased in the current fiscal year due to the increases in property tax collections, above average sales tax collections as well as the continuation of reduced departmental spending in light of COVID-19. \$26,222,696 (54.3%) 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.

\$21,412,545 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,346,067	\$ 7,183,647	\$ 10,610,707	\$ 10,351,835	\$ 21,956,774	\$ 17,535,482
Operating Grants and Contributions	18,045,577	15,558,129	-	-	18,045,577	15,558,129
Capital Grants and Contributions	200,000	400,000	-	-	200,000	400,000
General Revenue:						
Property Taxes	37,604,253	35,755,677	-	-	37,604,253	35,755,677
Local Option Sales Tax	12,037,473	10,277,087	-	-	12,037,473	10,277,087
Other Taxes	783,461	683,992	-	-	783,461	683,992
Interest & Other	180,995	209,127	5,528	37,776	186,523	246,903
Total Revenues	<u>80,197,826</u>	<u>70,067,659</u>	<u>10,616,235</u>	<u>10,389,611</u>	<u>90,814,061</u>	<u>80,457,270</u>
Expenses:						
General Government	10,302,771	8,879,980	-	-	10,302,771	8,879,980
Public Safety	17,765,633	18,680,287	-	-	17,765,633	18,680,287
Economic & Physical Development	1,036,444	2,293,571	-	-	1,036,444	2,293,571
Human Services	23,883,268	18,882,522	-	-	23,883,268	18,882,522
Cultural & Recreational	738,820	721,052	-	-	738,820	721,052
Education	14,990,448	14,882,026	-	-	14,990,448	14,882,026
Interest and Fees	793,437	776,980	-	-	793,437	776,980
Water and Sewer	-	-	6,557,788	6,619,690	6,557,788	6,619,690
Landfill/Solid Waste	-	-	3,863,967	3,826,290	3,863,967	3,826,290
Total Expenses	<u>69,510,821</u>	<u>65,116,418</u>	<u>10,421,755</u>	<u>10,445,980</u>	<u>79,932,576</u>	<u>75,562,398</u>
Revenue Over (Under) Expenses	10,687,005	4,951,241	194,480	(56,369)	10,881,485	4,894,872
Transfers	10,847	(60,949)	(10,847)	60,949	-	-
Change in Net Position	<u>10,697,852</u>	<u>4,890,292</u>	<u>183,633</u>	<u>4,580</u>	<u>10,881,485</u>	<u>4,894,872</u>
Net Position:						
Beginning of Year July 1	<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>
End of Year - June 30	<u>\$ 34,258,352</u>	<u>\$ 23,560,500</u>	<u>\$ 14,045,198</u>	<u>\$ 13,861,565</u>	<u>\$ 48,303,550</u>	<u>\$ 37,422,065</u>

Governmental Activities

Of total net position, operating grants and contributions funded \$18,045,577 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2021, interest revenues declined 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 increasing. The Commissioners continue to be aggressive in pursuing businesses through economic development incentives of building reuse grants and other infrastructure needs.

Business-type Activities

Business-type activities increased the County's net position by \$183,633. 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. This difference in focus and purpose creates significant variances between the governmental fund financial statements of the government-wide financial statements. Such information is useful in assessing Halifax County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Halifax County. At the end of the current fiscal year, unassigned fund balance available in the General Fund was \$24,435,392, while total fund balance reached \$49,638,178. The County currently has an available fund balance of 40.3% (unassigned) of General Fund expenditures and transfers out, while total fund balance represents 81.9% of that same amount.

At June 30, 2021, the governmental funds of Halifax County reported a combined fund balance of \$58,943,045, a 19.18% increase from fiscal year 2020. This can be primarily attributed to the settlement of a lawsuit, above normal tax collections in both property and retail sales as well as reduced spending during COVID-19.

For the year ended June 30, 2021, the net change in fund balances per the governmental funds showed an increase of \$8,081,467, while the governmental activities column of the government-wide financial statements indicated an increase of \$10,697,852 in net position. A major contributing factor to this difference is due to the reporting of debt service and capital outlays as expenditures in the governmental funds, but as balance sheet/capital items (i.e., not expenses immediately, but rather over the life of the assets) on the government-wide statements.

Fund balance may serve as a useful measure of a government's net resources available for spending. Approximately \$22.3 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 \$326,298 at year-end. All the fund balances for special revenue funds are considered restricted. The County had received \$1,011,215 in COVID-19 Relief funds just prior to the fiscal year 2020 end that was recognized in fiscal year 2021; the decision was made to roll all funds forward into fiscal year 2021. All funds were expended with applicable sales tax open as a receivable. The County also received \$4,856,928 just prior to fiscal year-end under the American Rescue Plan act. As required by the Governmental Accounting Standards Board (GASB), these unspent funds are reported as a liability as of June 30, 2020.

Capital project funds, including the Economic Development Funds, reported expenditures of \$1,164,409 for the current fiscal year. Projects, which become assets of the County, excluding school expenses, have their yearly expenses added to the County's construction in progress until the project is completed and then depreciated over their useful lives.

Proprietary Funds

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of solid waste at year-end totaled \$271,981 and the Water Fund totaled \$13,773,217 for a cumulative total of \$14,045,198. 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, 2021, total net position amounted to \$2,600,724, which is a decrease of \$39,562 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 \$9,948,085, a portion of this increase can be tied to property tax collections, above average sales tax collections, conservative spending and recouping economic development funds from Klausner Lumber 2.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$47,514,028 (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 5.1%.

Halifax County's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Improvements	\$ 4,070,791	\$ 4,070,791	\$ 463,850	\$ 463,850	\$ 4,534,641	\$ 4,534,641
Buildings	32,489,600	32,597,996	57,136,762	57,136,762	89,626,362	89,734,758
Equipment	5,571,623	5,453,531	4,728,826	4,626,044	10,300,449	10,079,575
Vehicles	5,457,570	5,577,874	1,186,078	1,120,748	6,643,648	6,698,622
Construction in Progress	277,682	-	-	-	277,682	-
Subtotal	47,867,266	47,700,192	63,515,516	63,347,404	111,382,782	111,047,596
Less: Accumulated Depreciation	(29,389,056)	(28,338,369)	(34,479,698)	(32,625,383)	(63,868,754)	(60,963,752)
Total	<u>\$ 18,478,210</u>	<u>\$ 19,361,823</u>	<u>\$ 29,035,818</u>	<u>\$ 30,722,021</u>	<u>\$ 47,514,028</u>	<u>\$ 50,083,844</u>

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

Prior to implementation of GASB No. 34, accumulated depreciation and depreciation expenses were required to be reported only in the enterprise funds and internal service funds. With the implementation of GASB 34, accumulated depreciation was reported in the Statement of Net Position for capital assets, which were not held by the enterprise or internal service funds. In addition, the corresponding depreciation expenses were reported in the Statement of Activities. Please refer to the notes to financial statements beginning on page 44 for further details regarding capital assets.

Long-term Debt

A significant component of the County's debt is the general obligation bonds of \$14,423,913, 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 \$322.8 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	
	2021	2020
General Obligation Bonds	\$ 14,423,913	\$ 15,548,715
Revenue Bonds	2,355,000	2,405,000
Total	<u>\$ 16,778,913</u>	<u>\$ 17,953,715</u>

The County's general obligation debt per capita is \$296.65 as of June 30, 2021, while the County's gross debt per capita is \$821.81.

Additional information of the County's long-term debt can be found beginning on page 45 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Local and national economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales tax, fuel taxes, charges for services, as well as federal and State grants. Economic growth may be measured by such indicators as employment growth, unemployment, increases in new construction and assessed values, diversification of the property tax base, enterprise fund revenue, and net asset growth. Economic factors considered in preparing the County's budget for the 2022 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 20,083 and has an unemployment rate of 7.1% as of June 30, 2021. This compares unfavorably to both the State's unemployment rate of 4.9% and to the United States' rate of 5.9% for the same period. The labor force, per Employment Security Commission charts, showed a decrease, and unemployment rate also decreased in comparison to the prior fiscal year and can be attributable to the pandemic recovery.
- Inflationary trends in the region compare favorably to national indices.
- Population of 48,622 has continued to decrease from 2020 by approximately 2.4%.

Additional information regarding economic factors is provided in the statistical section of the Annual Comprehensive Financial Report (ACFR).

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2021-2022

Governmental Activities

The County's most current property revaluation was effective January 1, 2020. The revaluation brought properties up to market values as it had been 5 years since the previous revaluation where the tax rate had been increased to \$.73 per \$100. An additional \$.05 per \$100 was levied for the purpose of raising revenue for the repayment of debt incurred by the County related to the construction of a new Manning Elementary School; this is shown as a separate line item in the adopted budget ordinance. The tax rate for fiscal year 2022 is \$.71 per \$100 in conjunction with the debt service value of \$.05. The County's current property valuation is \$3.5 billion dollars and the budgeted property collection rate for Fiscal Year 2022 is 97.5%.

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Halifax County's sales tax revenues were not impacted due to the COVID-19 pandemic. Sales tax in fiscal year 2021 exceeded the budgeted amount by \$1,718,432. Revenues from earned interest are continuing to decline while conservative budgeting is still in place. Expenditure modifications implemented in prior fiscal years were carried forward into fiscal year 2022.

Halifax County was allocated \$9.7 million in ARPA funding to assist with COVID-19 recovery; one-half of the funds were received in May 2021 with the remaining funds to be received in Spring 2022. These are special revenue funds and will be spent by December 31, 2026.

Economic development will continue to be emphasized during the 2021-2022 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 2022 budgeted expenditures for the Solid Waste Fund are \$4,343,855 as compared to \$4,290,752 in fiscal year 2021. Public Utilities – Water Division's FY 2022 budgeted expenditures are \$6,613,827 which is an increase of \$32,644 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 website at www.halifaxnc.com.

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Halifax County Tourism Development Authority	Halifax County ABC Board
ASSETS					
Cash and cash equivalents	\$ 51,680,058	\$ 7,337,090	\$ 59,017,148	\$ 1,014,686	\$ 1,420,742
Receivables, net of allowance for uncollectibles	7,177,489	1,594,378	8,771,867	-	-
Taxes receivable, net of allowance for uncollectibles	2,164,931	-	2,164,931	-	-
Due from other governments	8,839	43,459	52,298	128,044	-
Inventories	-	94,065	94,065	-	446,479
Restricted cash and cash equivalents	1,340,946	99,074	1,440,020	-	-
Net pension asset	78,249	-	78,249	-	-
Capital assets:					
Nondepreciable	4,348,473	436,727	4,785,200	-	275,222
Depreciable, net of accumulated depreciation	14,129,737	28,599,091	42,728,828	-	1,154,224
Total assets	80,928,722	38,203,884	119,132,606	1,142,730	3,296,667
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	6,409,413	222,117	6,631,530	37,969	88,576
OPEB related items	2,424,981	-	2,424,981	1,342	66,230
Total deferred outflows of resources	8,834,394	222,117	9,056,511	39,311	154,806
LIABILITIES					
Accounts payable	1,521,485	205,215	1,726,700	21,168	243,376
Accrued liabilities	281,962	68,667	350,629	-	369,625
Customer deposits	-	308,270	308,270	-	-
Interest payable	86,925	-	86,925	-	-
Unearned revenue	4,856,928	-	4,856,928	-	-
Claims payable	689,193	-	689,193	-	-
Installment notes from direct borrowing, due within one year	2,484,352	1,201,960	3,686,312	-	-
Installment notes from direct borrowing, due in more than one year	18,125,840	13,221,953	31,347,793	-	-
Notes payable from direct borrowing, due within one year	-	118,746	118,746	-	-
Notes payable from direct borrowing, due in more than one year	-	1,326,304	1,326,304	-	-
Bonds payable from direct placement, due within one year	-	51,000	51,000	-	-
Bonds payable from direct placement, due in more than one year	-	2,304,000	2,304,000	-	-
Financed purchase, due within one year	81,480	-	81,480	-	-
Compensated absences, due within one year	755,805	30,498	786,303	5,592	-
Compensated absences, due in more than one year	1,133,708	45,746	1,179,454	8,389	-
Landfill postclosure liability, due in more than one year	-	5,089,626	5,089,626	-	-
Total pension liability, due in more than one year	2,518,973	-	2,518,973	-	-
Net pension liability, due in more than one year	10,423,239	399,239	10,822,478	53,244	119,710
Total OPEB liability, due in more than one year	11,079,252	-	11,079,252	15,521	239,855
Total liabilities	54,039,142	24,371,224	78,410,366	103,914	972,566

(continued)

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2021

	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	\$ 305,885	\$ -	\$ 305,885	\$ -	\$ -
OPEB related items	823,197	-	823,197	640	33,993
Pension related items	336,540	9,579	346,119	427	-
Total deferred inflows of resources	1,465,622	9,579	1,475,201	1,067	33,993
NET POSITION					
Net investment in capital assets	15,410,841	10,811,855	26,222,696	-	1,429,446
Restricted for:					
Stabilization by State Statute	7,024,963	-	7,024,963	128,044	-
Public safety	1,789,857	-	1,789,857	-	-
Human services	11,732,733	-	11,732,733	-	-
Education	286,001	-	286,001	-	-
Tax reassessment	366,040	-	366,040	-	-
Culture and recreation	110,500	-	110,500	-	-
Economic and physical development	102,451	-	102,451	-	-
Other	-	-	-	-	235,033
Unrestricted	(2,565,034)	3,233,343	668,309	949,016	780,435
Total net position	\$ 34,258,352	\$ 14,045,198	\$ 48,303,550	\$ 1,077,060	\$ 2,444,914

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 10,302,771	\$ 8,536,840	\$ 911,686	\$ -
Public safety	17,765,633	2,157,122	1,405,681	-
Economic and physical development	1,036,444	293,758	75,660	200,000
Human services	23,883,268	342,241	14,849,746	-
Culture and recreation	738,820	16,106	207,371	-
Education	14,990,448	-	595,433	-
Interest on long-term debt	793,437	-	-	-
Total governmental activities	<u>69,510,821</u>	<u>11,346,067</u>	<u>18,045,577</u>	<u>200,000</u>
Business-type activities:				
Solid waste	3,863,967	4,104,944	-	-
Water and sewer	6,557,788	6,505,763	-	-
Total business-type activities	<u>10,421,755</u>	<u>10,610,707</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 79,932,576</u>	<u>\$ 21,956,774</u>	<u>\$ 18,045,577</u>	<u>\$ 200,000</u>
Component Units:				
Halifax County Tourism Development Authority	\$ 1,093,458	\$ -	\$ 15,000	\$ -
Halifax County ABC Board	7,720,088	7,910,669	-	-
Total component units	<u>\$ 8,813,546</u>	<u>\$ 7,910,669</u>	<u>\$ 15,000</u>	<u>\$ -</u>

General revenues:

- Ad valorem taxes
- Sales and use taxes
- Other taxes
- Investment earnings
- Miscellaneous
- Gain on sale of assets

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
\$ (854,245)	\$ -	\$ (854,245)	\$ -	\$ -
(14,202,830)	-	(14,202,830)	-	-
(467,026)	-	(467,026)	-	-
(8,691,281)	-	(8,691,281)	-	-
(515,343)	-	(515,343)	-	-
(14,395,015)	-	(14,395,015)	-	-
(793,437)	-	(793,437)	-	-
(39,919,177)	-	(39,919,177)	-	-
-	240,977	240,977	-	-
-	(52,025)	(52,025)	-	-
-	188,952	188,952	-	-
(39,919,177)	188,952	(39,730,225)	-	-
-	-	-	(1,078,458)	-
-	-	-	-	190,581
-	-	-	(1,078,458)	190,581
37,604,253	-	37,604,253	-	-
12,037,473	-	12,037,473	-	-
783,461	-	783,461	1,051,896	-
180,995	3,853	184,848	335	420
-	-	-	5,900	-
-	1,675	1,675	-	-
10,847	(10,847)	-	-	-
50,617,029	(5,319)	50,611,710	1,058,131	420
10,697,852	183,633	10,881,485	(20,327)	191,001
23,560,500	13,861,565	37,422,065	1,097,387	2,253,913
\$ 34,258,352	\$ 14,045,198	\$ 48,303,550	\$ 1,077,060	\$ 2,444,914

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 42,785,304	\$ 4,856,928	\$ 579,862	\$ 48,222,094
Taxes receivable, net	1,724,523	-	440,408	2,164,931
Accounts receivable, net	6,691,085	-	486,262	7,177,347
Due from other governments	-	-	8,839	8,839
Due from other funds	28,888	-	-	28,888
Restricted cash and cash equivalents	1,340,946	-	-	1,340,946
Total assets	<u>\$ 52,570,746</u>	<u>\$ 4,856,928</u>	<u>\$ 1,515,371</u>	<u>\$ 58,943,045</u>
LIABILITIES				
Accounts payable	\$ 889,187	\$ -	\$ 464,109	\$ 1,353,296
Accrued payroll and withholdings	202,329	-	-	202,329
Accrued liabilities	79,633	-	-	79,633
Due to other funds	-	-	28,888	28,888
Unearned revenue	-	4,856,928	-	4,856,928
Total liabilities	<u>1,171,149</u>	<u>4,856,928</u>	<u>492,997</u>	<u>6,521,074</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - ad valorem taxes	1,455,534	-	440,408	1,895,942
Unearned revenue - prepaid taxes	305,885	-	-	305,885
Total deferred inflows of resources	<u>1,761,419</u>	<u>-</u>	<u>440,408</u>	<u>2,201,827</u>
FUND BALANCES				
Restricted:				
Stabilization by State Statute	6,988,962	-	36,001	7,024,963
Public safety	1,374,129	-	291,623	1,665,752
Debt service	1,340,946	-	-	1,340,946
Human services	11,702,431	-	-	11,702,431
Tax reassessment	366,040	-	-	366,040
Culture and recreation	-	-	110,500	110,500
Economic and physical development	-	-	102,451	102,451
Assigned:				
Use in subsequent fiscal year	3,430,278	-	-	3,430,278
Economic and physical development	-	-	41,391	41,391
Unassigned	24,435,392	-	-	24,435,392
Total fund balances	<u>49,638,178</u>	<u>-</u>	<u>581,966</u>	<u>50,220,144</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 52,570,746</u>	<u>\$ 4,856,928</u>	<u>\$ 1,515,371</u>	<u>\$ 58,943,045</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, 2021

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

Fund balances - total governmental funds	\$	50,220,144
--	----	------------

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		18,478,210
--	--	------------

Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		
Property taxes		1,895,942

The net pension liability (asset), total pension liability, and related deferred inflows and outflows of resources related to the County's defined benefit pension plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Total pension liability - Law Enforcement Officer's		
Special Separation Allowance (LEOSSA) pension plan	\$ (2,518,973)	
LEOSSA related deferred inflows and outflows	673,095	
Net pension liability - Local Government Employee		
Retirement System (LGRS) pension plan	(10,423,239)	
LGRS related deferred inflows and outflows	5,396,763	
Net pension asset - Register of Deeds (ROD) pension plan	78,249	
ROD related deferred inflows and outflows	3,015	(6,791,090)

The total OPEB liability and related deferred inflows and outflows of resources related to the County's OPEB plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.

Total OPEB liability	\$ (11,079,252)	
OPEB related deferred inflows and outflows	1,601,784	(9,477,468)

Internal service funds are used by the County to charge costs to other funds. The assets and liabilities are included in the governmental activities.		2,600,724
---	--	-----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Installment notes	\$ (20,610,192)	
Financed purchases payable	(81,480)	
Accrued interest payable	(86,925)	
Compensated absences (i.e. vacation)	(1,889,513)	(22,668,110)

Net position - governmental activities	\$	34,258,352
--	----	------------

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, 2021

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 30,776,783	\$ -	\$ 7,026,056	\$ 37,802,839
Sales taxes	11,278,432	-	759,041	12,037,473
Other taxes	75,119	-	708,342	783,461
Intergovernmental revenues	15,552,480	-	2,693,342	18,245,822
Permits and fees	1,889,148	-	-	1,889,148
Charges for services	3,502,213	-	-	3,502,213
Investment earnings	180,724	-	271	180,995
Miscellaneous	5,572,274	-	382,432	5,954,706
Total revenues	<u>68,827,173</u>	<u>-</u>	<u>11,569,484</u>	<u>80,396,657</u>
Expenditures				
Current:				
General government	9,966,426	-	-	9,966,426
Public safety	15,567,021	-	2,167,386	17,734,407
Economic and physical development	1,132,741	-	51,943	1,184,684
Human services	19,682,623	-	1,790,081	21,472,704
Culture and recreation	714,926	-	3,500	718,426
Education	8,416,290	-	6,574,158	14,990,448
Intergovernmental	-	-	508,900	508,900
Debt service:				
Principal retirements	4,308,444	-	1,000,000	5,308,444
Interest and fiscal charges	690,602	-	108,966	799,568
Total expenditures	<u>60,479,073</u>	<u>-</u>	<u>12,204,934</u>	<u>72,684,007</u>
Excess (deficiency) of revenues over (under) expenditures	8,348,100	-	(635,450)	7,712,650
Other financing sources (uses)				
Proceeds from sale of capital assets	32,970	-	-	32,970
Transfers in	1,693,255	-	124,659	1,817,914
Transfers out	(126,240)	-	(1,355,827)	(1,482,067)
Total other financing sources (uses)	<u>1,599,985</u>	<u>-</u>	<u>(1,231,168)</u>	<u>368,817</u>
Net change in fund balances	9,948,085	-	(1,866,618)	8,081,467
Fund balances, beginning of year	<u>39,690,093</u>	<u>-</u>	<u>2,448,584</u>	<u>42,138,677</u>
Fund balances, end of year	<u>\$ 49,638,178</u>	<u>\$ -</u>	<u>\$ 581,966</u>	<u>\$ 50,220,144</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, 2021

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

Net change in fund balances - total governmental funds	\$	8,081,467
--	----	-----------

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.

Capital outlay	\$ 1,056,660	
Depreciation expense	<u>(1,634,819)</u>	(578,159)

In the statement of activities, only the gain or loss on the disposal of capital assets is recorded. However, in the governmental funds, proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.

Net book value of assets disposed		(305,454)
-----------------------------------	--	-----------

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

Property taxes	\$ (198,586)	
Grants	<u>(245)</u>	(198,831)

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.

Debt service payments on long-term liabilities	\$ 5,308,444	
Forgiveness of debt	<u>175,071</u>	5,483,515

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.		(39,562)
--	--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences (i.e. vacation)	\$ 16,252	
Change in accrued interest	6,131	
Total pension liability and related deferred outflows and inflows - LEOSSA	1,829,489	
Net pension liability and related deferred outflows and inflows - LGERS	(3,326,658)	
Net pension asset and related deferred outflows and inflows - ROD	1,362	
Total OPEB liability and related deferred outflows and inflows	<u>(271,700)</u>	(1,745,124)

Change in net position - governmental activities	\$	<u>10,697,852</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, 2021

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Revenues				
Property taxes	\$ 28,515,782	\$ 28,515,782	\$ 30,776,783	\$ 2,261,001
Other taxes and licenses	9,645,000	9,645,000	11,353,551	1,708,551
Intergovernmental revenue	14,341,643	17,904,264	15,552,480	(2,351,784)
Permits and fees	2,144,535	2,147,673	1,889,148	(258,525)
Sales and services	3,799,468	3,922,765	3,502,213	(420,552)
Miscellaneous	675,789	757,464	5,572,274	4,814,810
Investment earnings	400,000	400,000	180,724	(219,276)
Total revenues	59,522,217	63,292,948	68,827,173	5,534,225
Expenditures				
Current:				
General government	9,805,968	12,426,377	9,966,426	2,459,951
Public safety	18,044,112	19,881,686	15,567,021	4,314,665
Economic and physical development	1,152,760	1,634,388	1,132,741	501,647
Human services	21,351,287	24,892,526	19,682,623	5,209,903
Culture and recreation	720,246	740,504	714,926	25,578
Education	7,896,215	8,558,490	8,416,290	142,200
Debt service:				
Principal retirements	2,904,651	4,441,619	4,308,444	133,175
Interest	688,394	690,602	690,602	-
Total expenditures	62,563,633	73,266,192	60,479,073	12,787,119
Excess (deficiency) of revenues over (under) expenditures	(3,041,416)	(9,973,244)	8,348,100	18,321,344
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	32,970	32,970
Transfers in	13,256,681	18,208,199	1,693,255	(16,514,944)
Transfers out	(13,163,661)	(16,627,058)	(126,240)	16,500,818
Appropriated fund balance	2,948,396	8,392,103	-	(8,392,103)
Total other financing sources	3,041,416	9,973,244	1,599,985	(8,373,259)
Net change in fund balances	-	-	9,948,085	9,948,085
Fund balances, beginning of year	39,690,093	39,690,093	39,690,093	-
Fund balances, end of year	\$ 39,690,093	\$ 39,690,093	\$ 49,638,178	\$ 9,948,085

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2021

ASSETS	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,852,741	\$ 4,484,349	\$ 7,337,090	\$ 3,457,964
Accounts receivable, net of allowances	765,054	829,324	1,594,378	142
Due from other governments	13,454	30,005	43,459	-
Restricted cash and cash equivalents	-	99,074	99,074	-
Inventories	-	94,065	94,065	-
Total current assets	3,631,249	5,536,817	9,168,066	3,458,106
CAPITAL ASSETS				
Nondepreciable	312,250	124,477	436,727	-
Depreciable, net of accumulated depreciation	1,708,879	26,890,212	28,599,091	-
Total noncurrent assets	2,021,129	27,014,689	29,035,818	-
Total assets	5,652,378	32,551,506	38,203,884	3,458,106
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	78,315	143,802	222,117	-
Total deferred outflows of resources	78,315	143,802	222,117	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	100,988	104,227	205,215	168,189
Accrued liabilities	893	67,774	68,667	-
Customer deposits	-	308,270	308,270	-
Claims payable	-	-	-	689,193
Installment contracts, current	107,195	1,094,765	1,201,960	-
Notes payable, current	-	118,746	118,746	-
Bonds payable, current	-	51,000	51,000	-
Compensated absences payable, current	7,705	22,793	30,498	-
Total current liabilities	216,781	1,767,575	1,984,356	857,382
NONCURRENT LIABILITIES				
Landfill postclosure	5,089,626	-	5,089,626	-
Installment contracts from direct borrowing, due in more than one year	-	13,221,953	13,221,953	-
Notes payable from direct borrowing, due in more than one year	-	1,326,304	1,326,304	-
Bonds payable from direct placement, due in more than one year	-	2,304,000	2,304,000	-
Compensated absences payable	11,557	34,189	45,746	-
Net pension liability	137,450	261,789	399,239	-
Total noncurrent liabilities	5,238,633	17,148,235	22,386,868	-
Total liabilities	5,455,414	18,915,810	24,371,224	857,382
DEFERRED INFLOWS OF RESOURCES				
Pension related items	3,298	6,281	9,579	-
Total deferred inflows of resources	3,298	6,281	9,579	-
NET POSITION				
Net investment in capital assets	1,913,934	8,897,921	10,811,855	-
Unrestricted	(1,641,953)	4,875,296	3,233,343	2,600,724
Total net position	\$ 271,981	\$ 13,773,217	\$ 14,045,198	\$ 2,600,724

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, 2021

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 4,017,197	\$ 6,287,971	\$ 10,305,168	\$ -
Other operating revenues	-	-	-	5,742,820
Miscellaneous	87,747	217,792	305,539	-
Total operating revenues	<u>4,104,944</u>	<u>6,505,763</u>	<u>10,610,707</u>	<u>5,742,820</u>
OPERATING EXPENSES				
Administrative and general	-	1,360,365	1,360,365	1,618
Operations and maintenance	3,753,607	2,843,908	6,597,515	-
Depreciation	106,612	1,773,738	1,880,350	-
Claims and payments to third party administrators	-	-	-	5,456,739
Total operating expenses	<u>3,860,219</u>	<u>5,978,011</u>	<u>9,838,230</u>	<u>5,458,357</u>
Operating income	244,725	527,752	772,477	284,463
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	873	2,980	3,853	975
Interest expense and fiscal charges	(3,748)	(579,777)	(583,525)	-
Proceeds from sale of assets	-	1,675	1,675	-
Total non-operating revenue (expenses)	<u>(2,875)</u>	<u>(575,122)</u>	<u>(577,997)</u>	<u>975</u>
Income (loss) before transfers	241,850	(47,370)	194,480	285,438
Transfers in	1,581	-	1,581	-
Transfers out	<u>(12,428)</u>	<u>-</u>	<u>(12,428)</u>	<u>(325,000)</u>
Change in net position	231,003	(47,370)	183,633	(39,562)
Net position, beginning of year	<u>40,978</u>	<u>13,820,587</u>	<u>13,861,565</u>	<u>2,640,286</u>
Net position, end of year	<u>\$ 271,981</u>	<u>\$ 13,773,217</u>	<u>\$ 14,045,198</u>	<u>\$ 2,600,724</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Solid Waste Landfill Fund	Water Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,194,237	\$ 6,496,566	\$ 10,690,803	\$ 5,742,678
Payments to suppliers	(3,469,720)	(3,710,271)	(7,179,991)	(4,980,613)
Payments to employees	(531,569)	(676,531)	(1,208,100)	-
Net cash provided by operating activities	192,948	2,109,764	2,302,712	762,065
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interfund receipts	-	53,252	53,252	-
Transfers from other funds	1,581	-	1,581	-
Transfers to other funds	(12,428)	-	(12,428)	(325,000)
Net cash provided by (used in) non-capital financing activities	(10,847)	53,252	42,405	(325,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(106,696)	(87,451)	(194,147)	-
Proceeds from sale of assets	-	1,675	1,675	-
Proceeds from issuance of debt	-	5,908,000	5,908,000	-
Payment to refunding escrow agent	-	(5,865,443)	(5,865,443)	-
Principal payments on long-term debt	(184,552)	(1,160,996)	(1,345,548)	-
Interest paid	(5,285)	(584,091)	(589,376)	-
Net cash used in capital and related financing activities	(296,533)	(1,788,306)	(2,084,839)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	873	2,980	3,853	975
Net cash provided by investing activities	873	2,980	3,853	975
Net increase (decrease) in cash and cash equivalents	(113,559)	377,690	264,131	438,040
Cash and cash equivalents, beginning of year	2,966,300	4,205,733	7,172,033	3,019,924
Cash and cash equivalents, end of year	<u>\$ 2,852,741</u>	<u>\$ 4,583,423</u>	<u>\$ 7,436,164</u>	<u>\$ 3,457,964</u>
Classified as:				
Unrestricted cash and cash equivalents	\$ 2,852,741	\$ 4,484,349	\$ 7,337,090	\$ 3,457,964
Restricted cash and cash equivalents	-	99,074	99,074	-
	<u>\$ 2,852,741</u>	<u>\$ 4,583,423</u>	<u>\$ 7,436,164</u>	<u>\$ 3,457,964</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 244,725	\$ 527,752	\$ 772,477	\$ 284,463
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	106,612	1,773,738	1,880,350	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
(Increase) decrease in accounts receivable	105,002	(21,827)	83,175	(142)
Increase in amounts due from other governments	(1,220)	(805)	(2,025)	-
Increase in inventory	-	(61,571)	(61,571)	-
Increase (decrease) in accounts payable	(142,832)	(164,047)	(306,879)	87,287
Decrease in postclosure liability	(110,666)	-	(110,666)	-
Increase in customer deposits	-	13,435	13,435	-
Increase (decrease) in compensated absences payable	(441)	205	(236)	-
Increase in claims payable	-	-	-	390,457
Increase in deferred taxes	(14,489)	-	(14,489)	-
Increase in pension related items	6,257	42,884	49,141	-
Net cash provided by operating activities	<u>\$ 192,948</u>	<u>\$ 2,109,764</u>	<u>\$ 2,302,712</u>	<u>\$ 762,065</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND JUNE 30, 2021

ASSETS	Tax Custodial Fund
Cash and cash equivalents	\$ 70,489
Taxes receivable	<u>1,043,398</u>
Total assets	<u><u>\$ 1,113,887</u></u>
 LIABILITIES	
Due to others	\$ 191,460
Uncollected taxes	<u>922,427</u>
Total liabilities	<u><u>\$ 1,113,887</u></u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Tax Custodial Fund</u>
ADDITIONS	
Taxes	<u>\$ 12,181,302</u>
 DEDUCTIONS	
Taxes and fees paid to other governments	<u>12,181,302</u>
Change in fiduciary net position	-
 Net position, beginning of year	<u>-</u>
 Net position, end of year	<u><u>\$ -</u></u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Halifax County ABC Board

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Halifax County Tourism Development Authority

The Halifax County Tourism Development Authority (the “Authority”) is an entity which promotes the growth of tourism and the travel-related industry in Halifax County. The members of the Board are appointed by the County Commissioners of Halifax County. In addition, the County levies and collects the occupancy tax that is remitted to the Authority. Complete separate financial statements for the Authority may be obtained at its administrative office:

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

B. Government-wide and Fund Financial Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets

Annual appropriated budgets are adopted for all funds, with the exception of several of the capital project funds, including the enterprise capital project funds, for which project length budgets are adopted. In accordance with State law, the budgets adopted for the enterprise funds are adopted on the modified accrual basis of accounting, and a reconciliation is provided along with the budget schedule to reconcile from the modified accrual basis to the accrual basis. The governmental funds' budgets are adopted on a basis other than accounting principles generally accepted in the United States of America. Budgets are adopted to show use of fund balance as other financing sources for both governmental and proprietary funds, as well as the proprietary funds are budgeted on the modified accrual basis of accounting. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund, special revenue funds, and the enterprise funds. During the fiscal year ended June 30, 2021, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market deposit accounts, and certificates of deposit.

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

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The NCCMT is an SEC registered (2a-7) money market mutual fund which invests in treasuries and government agencies and is rated AAAm by S&P. The County's investment in the NCCMT Government Portfolio is reported at fair value.

F. Restricted cash and cash equivalents

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

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020.

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, 2021, 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 2022.

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. Unearned Revenue

The County also unearned revenue related to the American Rescue Plan grant money that was received before year-end. The County will recognize the revenue as eligible expenditures are incurred.

O. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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.

Q. 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)

Q. 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 \$16.3 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)

R. 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.

S. 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. 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:

Weldon School District Fund - Education	\$	18,304
Halifax County School District Fund - Education		21,678
Local Fire Districts Fund - Public Safety		9,740
Water Fund - Debt service and fiscal charges		51,997

The overexpended funds in the Water Fund are unbudgeted issuance costs on the new bonds. These overexpended funds were funded with proceeds from the bond. The remaining expenditures in excess of appropriations were funded by greater than anticipated revenues and available fund balance. In addition to the above expenditures in excess of appropriations, the County did not adopt a budget for the Representative Payee Fund for the fiscal year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balance. The Fire Fund had a deficit fund balance of \$1,326 at year-end which will be alleviated through collection of fire district fees in the subsequent fiscal year and General Fund appropriations, as necessary.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2021, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 59,017,148
Restricted cash and cash equivalents	1,440,020
Fiduciary funds - custodial funds	70,489
	<u>\$ 60,527,657</u>
Cash deposited with financial institutions	\$ 24,730,386
Cash deposited with NCCMT	35,797,271
	<u>\$ 60,527,657</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, 2021, the County had \$35,797,271 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 portfolio is measured using Level 1 inputs from the fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets.

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes (G.S. 159-31) require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the County's deposits are insured or collateralized as required by GASB and state statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables at June 30, 2021, 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	\$ 1,724,523	\$ -	\$ -	\$ 440,408
Accounts	8,175,761	1,105,189	1,010,234	486,262
Due from other governments	-	30,005	13,454	8,839
Less allowance for uncollectible	(1,484,676)	(275,865)	(245,180)	-
Total	<u>\$ 8,415,608</u>	<u>\$ 859,329</u>	<u>\$ 778,508</u>	<u>\$ 935,509</u>

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the County for the year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 4,070,791	\$ -	\$ -	\$ 4,070,791
Construction in progress	-	277,682	-	277,682
Total	<u>4,070,791</u>	<u>277,682</u>	<u>-</u>	<u>4,348,473</u>
Capital assets, being depreciated:				
Buildings and improvements	32,597,996	398,296	(506,692)	32,489,600
Vehicles	5,577,874	304,660	(310,911)	5,571,623
Equipment	5,453,531	76,022	(71,983)	5,457,570
Total being depreciated	<u>43,629,401</u>	<u>778,978</u>	<u>(889,586)</u>	<u>43,518,793</u>
Less accumulated depreciation for:				
Buildings and improvements	(19,751,740)	(722,980)	226,604	(20,248,116)
Vehicles	(4,555,631)	(399,663)	291,741	(4,663,553)
Equipment	(4,030,998)	(512,176)	65,787	(4,477,387)
Total	<u>(28,338,369)</u>	<u>(1,634,819)</u>	<u>584,132</u>	<u>(29,389,056)</u>
Total capital assets, being depreciated, net	<u>15,291,032</u>	<u>(855,841)</u>	<u>(305,454)</u>	<u>14,129,737</u>
Governmental activities capital assets, net	<u>\$ 19,361,823</u>	<u>\$ (578,159)</u>	<u>\$ (305,454)</u>	<u>\$ 18,478,210</u>

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

Governmental activities:	
General government	\$ 291,511
Public safety	707,845
Economic and physical development	197,966
Human services	386,320
Cultural and recreational	51,177
Total depreciation expense - governmental activities	<u>\$ 1,634,819</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. 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	27,123	-	-	27,123
Buildings	1,956,534	-	-	1,956,534
Vehicles	672,462	28,288	-	700,750
Equipment	1,748,432	78,408	-	1,826,840
Total	<u>4,404,551</u>	<u>106,696</u>	<u>-</u>	<u>4,511,247</u>
Less accumulated depreciation for:				
Land improvements	(27,119)	(4)	-	(27,123)
Buildings	(431,054)	(65,248)	-	(496,302)
Vehicles	(661,296)	(8,380)	-	(669,676)
Equipment	(1,576,287)	(32,980)	-	(1,609,267)
Total	<u>(2,695,756)</u>	<u>(106,612)</u>	<u>-</u>	<u>(2,802,368)</u>
Total capital assets being depreciated, net	<u>1,708,795</u>	<u>84</u>	<u>-</u>	<u>1,708,879</u>
Solid Waste Landfill capital assets, net	<u>\$ 2,021,045</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 2,021,129</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Water Fund:				
Nondepreciable capital assets:				
Land and improvements	\$ 124,477	\$ -	\$ -	\$ 124,477
Total	<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	448,286	57,557	(20,515)	485,328
Equipment and furniture	2,877,612	29,894	(5,520)	2,901,986
Total	<u>58,506,126</u>	<u>87,451</u>	<u>(26,035)</u>	<u>58,567,542</u>
Less accumulated depreciation for:				
Plant and distribution systems	(27,428,954)	(1,551,550)	-	(28,980,504)
Vehicles	(349,907)	(32,117)	20,515	(361,509)
Equipment and furniture	(2,150,766)	(190,071)	5,520	(2,335,317)
Total	<u>(29,929,627)</u>	<u>(1,773,738)</u>	<u>26,035</u>	<u>(31,677,330)</u>
Total capital assets being depreciated, net	<u>28,576,499</u>	<u>(1,686,287)</u>	<u>-</u>	<u>26,890,212</u>
Water and Sewer Fund capital assets, net	<u>\$ 28,700,976</u>	<u>\$ (1,686,287)</u>	<u>\$ -</u>	<u>\$ 27,014,689</u>

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

Business-type activities	
Solid Waste Landfill	\$ 106,612
Water	<u>1,773,738</u>
Total depreciation expense - business-type activities	<u>\$ 1,880,350</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Installment notes from					
direct borrowing	\$ 25,933,214	\$ -	\$ (5,323,022)	\$ 20,610,192	\$ 2,484,352
Financed purchases	241,973	-	(160,493)	81,480	81,480
Net pension liability - LGERS	8,550,684	4,750,908	(2,878,353)	10,423,239	-
Total pension liability - LEOSSA	1,919,745	721,756	(122,528)	2,518,973	-
Compensated absences	1,905,765	839,241	(855,493)	1,889,513	755,805
Total OPEB liability	9,336,421	2,122,922	(380,091)	11,079,252	-
Governmental activity					
Long-term liabilities	<u>\$ 47,887,802</u>	<u>\$ 8,434,827</u>	<u>\$ (9,719,980)</u>	<u>\$ 46,602,649</u>	<u>\$ 3,321,637</u>
Business-type activities:					
Installment notes from					
direct borrowing	\$ 15,548,715	\$ 5,908,000	\$ (7,032,802)	\$ 14,423,913	\$ 1,201,960
Revenue bonds from					
direct placement	2,405,000	-	(50,000)	2,355,000	51,000
Notes payable from					
direct borrowing	1,563,796	-	(118,746)	1,445,050	118,746
Postclosure liability	5,200,292	-	(110,666)	5,089,626	-
Net pension liability - LGERS	326,179	183,309	(110,249)	399,239	-
Compensated absences	76,480	34,630	(34,866)	76,244	30,498
Long-term liabilities	<u>\$ 25,120,462</u>	<u>\$ 6,125,939</u>	<u>\$ (7,457,329)</u>	<u>\$ 23,789,072</u>	<u>\$ 1,402,204</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes from Direct Borrowing

The County has various installment notes from direct borrowing outstanding for buildings, equipment, and vehicle financing arrangements. The outstanding balances for the notes as of June 30, 2021 are as follows:

	Balance as of June 30, 2021
<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.	\$ 12,066,666
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.	5,939,000
Qualified School Construction Bond installment purchase contract for \$2,488,997 was issued in September 2011 with annual sinking fund payments of \$165,933 with an interest rate of 5.0%. The final maturity of the bond is September 2026.	2,488,997
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.	115,529
Total outstanding installment notes payable	<u>\$ 20,610,192</u>

Of the original amount serviced by the County's governmental activities shown above, \$16,283,357 is considered to be school-related debt.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2022	\$ 2,484,352	\$ 499,505	\$ 2,983,857
2023	2,460,170	432,293	2,892,463
2024	2,435,006	365,650	2,800,656
2025	2,368,667	280,886	2,649,553
2026	4,828,664	235,063	5,063,727
2027-2031	6,033,333	514,341	6,547,674
Total	<u>\$ 20,610,192</u>	<u>\$ 2,327,738</u>	<u>\$ 22,937,930</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

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, 2021, the total outstanding principal amount is \$81,480.

As of June 30, 2021, the County has \$397,706 of vehicles, machinery and equipment under financed purchase agreements with accumulated depreciation of \$201,506. The amortization expense for these assets is included in depreciation expense.

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

	Principal	Interest	Total
Year Ending June 30, 2022	\$ 81,480	\$ 2,037	\$ 83,517
Total	<u>\$ 81,480</u>	<u>\$ 2,037</u>	<u>\$ 83,517</u>

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, 2021, are as follows:

<i>Business-type activities</i>	Balance as of June 30, 2021
\$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%.	\$ 2,100,000
\$1,916,000 - 2011 Water bond, due in annual installments ranging from \$62,2270 to \$89,495 through June 2050; interest at 2.79%.	1,641,000
\$1,700,000 - Installment note, due in semi-annual installments ranging from \$252,402 to \$13,572 through February 2022, interest at 2.15%.	107,195
\$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%.	4,667,718
\$5,908,000 - 2021 Refunding serial water bond, due in annual installments ranging from \$193,000 to \$340,000 through September 2028; interest at 2.75%.	<u>5,908,000</u>
Total outstanding installment notes payable	<u>\$ 14,423,913</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes from Direct Borrowing– Business-type Activities (Continued)

The 2021 refunding bonds were issued with a net present value of savings of \$973,196 on future debt service. The previously outstanding bonds were retired from escrow on June 15, 2021, and there are no outstanding bonds considered defeased.

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>
2022	\$ 1,201,960	\$ 384,358	\$ 1,586,318
2023	1,111,716	359,855	1,471,571
2024	1,139,115	330,300	1,469,415
2025	1,160,975	300,004	1,460,979
2026	1,184,309	269,085	1,453,394
2027-2031	3,621,838	926,613	4,548,451
2032-2036	1,561,000	632,730	2,193,730
2037-2041	1,796,000	398,898	2,194,898
2042-2046	1,355,000	125,603	1,480,603
2047-2050	292,000	22,068	314,068
Total	<u>\$ 14,423,913</u>	<u>\$ 3,749,514</u>	<u>\$ 18,173,427</u>

Revenue Bonds from Direct Placement

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

<i>Business-type activities</i>	<u>Balance as of June 30, 2021</u>
\$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%	<u>\$ 2,355,000</u>
Total outstanding revenues bonds from direct placement	<u>\$ 2,355,000</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 6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds from Direct Placement (Continued)

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>
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	55,000	42,900	97,900
2027-2031	294,000	197,480	491,480
2032-2036	324,000	166,880	490,880
2037-2041	358,000	133,140	491,140
2042-2046	395,000	95,920	490,920
2047-2051	437,000	54,760	491,760
2052-2054	282,000	1,320	283,320
Total	<u>\$ 2,355,000</u>	<u>\$ 874,600</u>	<u>\$ 3,229,600</u>

State Revolving Loan Serviced by Enterprise Funds from Direct Borrowing

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

Year Ending June 30,	<u>Principal</u>
2022	\$ 118,746
2023	118,746
2024	118,746
2025	118,746
2026	118,746
2027-2031	593,730
2032-2035	257,590
Total	<u>\$ 1,445,050</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Landfill Closure and Postclosure

State and Federal laws and regulations require the County to place a final cover on landfills after they cease accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. Closure and postclosure costs are allocated to the landfills based upon landfill capacity used to date. The County reported a liability for closure and postclosure care of its three (3) landfills in the Solid Waste Fund of \$5,089,626. The County's construction and demolition landfill as well as the ash monofill landfill have been capped. As of June 30, 2021, the County finished construction on its new construction and demolition landfill, and currently accepting waste with a current capacity used to date of 1%. The remaining cost not yet accrued for the construction and demolition of the landfill of \$895,717 will be recognized over the future life of the landfill as capacity is used. The remaining life on the landfill is 30 years.

NOTE 7. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

Interfund payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 28,888
		<u>\$ 28,888</u>

The Interfund payables are due to timing differences within pooled cash at year-end. 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>
General Fund	Internal Service	\$ 325,000
General Fund	Solid Waste Landfill Fund	12,428
General Fund	Nonmajor governmental funds	1,355,827
		<u>\$ 1,693,255</u>
Nonmajor governmental funds	General Fund	\$ 124,659
Solid Waste Landfill Fund	General Fund	1,581
		<u>\$ 126,240</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 8. PENSION PLANS

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

	LGERS	LEOSSA	RODSPF	Total
Net pension asset	\$ -	\$ -	\$ 78,249	\$ 78,249
Net pension liability	10,822,478	-	-	10,822,478
Total pension liability	-	2,518,973	-	2,518,973
Deferred outflows of resources related to pensions	5,868,961	751,265	11,304	6,631,530
Deferred inflows of resources related to pensions	259,660	78,170	8,289	346,119
Pension expense	3,566,299	238,811	2,675	3,807,785

A. Local Governmental Employees' Retirement System

Plan Description. Halifax County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, 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 \$2,166,047 for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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, 2021, the County reported a liability of \$10,822,478 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2020, the County's proportion was 0.30286%, which was a decrease of 0.02219% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$3,566,299. At June 30, 2021, 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	\$ 1,366,689	\$ -
Net difference between projected and actual earnings on pension plan investments	1,522,974	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,846	259,660
Changes in plan assumptions	805,405	-
County contributions subsequent to the measurement date	2,166,047	-
Total	<u><u>\$ 5,868,961</u></u>	<u><u>\$ 259,660</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

County contributions made subsequent to the measurement date of \$2,166,047, 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, 2022. 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:	
2022	\$ 944,289
2023	1,306,268
2024	741,976
2025	450,721
Total	<u>\$ 3,443,254</u>

Actuarial Assumptions. The total pension liability as of June 30, 2020, was determined by the December 31, 2019 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 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, 2019 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 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, 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 2019 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 8. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 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:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 21,957,629	\$ 10,822,478	\$ 1,568,385

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

B. Law Enforcement Officers Special Separation Allowance

Plan Description. Halifax County administers a public employee retirement system (the "Separation Allowance"), a single employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is administered by the State of North Carolina. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report is not issued for the Plan.

All full time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2019, the date of the most recent actuarial valuation the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Active plan members	67
Total	<u>74</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Separation Allowance has no assets accumulated in a trust that meets the criteria, outlined in paragraph 4 of GASB Statement 73.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation
Discount rate	1.93 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 1.93% due to a change in the Municipal Bond Rate. This represents a reduction from the discount rate used in the prior year of 3.26%.

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, 2019 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 \$94,751 as benefits came due for the reporting period.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

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

At June 30, 2021, the County reported a total pension liability of \$2,518,973. The total pension liability was measured as of December 31, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$238,811. At June 30, 2021, 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	\$ 542,246	\$ 39,467
Differences between expected and actual experience	114,268	38,703
County benefit payments made subsequent to the measurement date	94,751	-
Total	<u>\$ 751,265</u>	<u>\$ 78,170</u>

An amount of \$94,751 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, 2022. 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,	
2022	\$ 125,176
2023	127,180
2024	119,120
2025	119,176
2026	87,692
Total	<u>\$ 578,344</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Changes in the Total Pension Liability. The changes in the total pension liability of the County for the fiscal year ended June 30, 2021, were as follows:

	<u>Total Pension Liability</u>
Balance at June 30, 2020	\$ 1,919,745
Service cost	89,510
Interest	61,237
Experience differences	(35,917)
Assumption changes	571,009
Benefit payments	(86,611)
Balance at June 30, 2021	<u>\$ 2,518,973</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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease</u> <u>(0.93%)</u>	<u>Discount Rate</u> <u>(1.93%)</u>	<u>1% Increase</u> <u>(2.93%)</u>
Total pension liability	\$ 2,725,740	\$ 2,518,973	\$ 2,330,837

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 \$4,037 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$78,249 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2020, the County's proportion was 0.34143%, which was a decrease of 0.00298% from its proportion measured as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2021, the County recognized pension expense of \$2,675. At June 30, 2021, 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	\$ -	\$ 1,594
Net difference between projected and actual earnings on pension plan investments	-	6,695
Changes in proportion and differences between County contributions and proportionate share of contributions	7,267	-
County contributions subsequent to the measurement date	4,037	-
Total	<u>\$ 11,304</u>	<u>\$ 8,289</u>

County contributions made subsequent to the measurement date of \$4,037 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, 2022. 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:	
2022	\$ 2,469
2023	1,216
2024	(3,022)
2025	(1,685)
Total	<u>\$ (1,022)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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 8. 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, 2019 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, 2021, is 1.40%, including inflation.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 8. 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)	\$ (66,463)	\$ (78,249)	\$ (88,222)

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

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2021, the County contributed \$981,504 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, 2020, as determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was then rolled forward to the measurement date utilizing update procedures incorporating the actuarial assumptions.

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:	2.21%
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 2.21%. This represents a reduction from the discount rate used in the prior year, 3.50%. 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 2.21% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2021, were as follows:

	<u>Total OPEB Liability</u>
Balances at 6/30/20	<u>\$ 9,336,421</u>
Changes for the year:	
Service cost	390,027
Interest	333,832
Differences between expected and actual experience	20,967
Assumption changes	1,378,096
Benefit payments	<u>(380,091)</u>
Net changes	<u>1,742,831</u>
Balances at 6/30/21	<u><u>\$ 11,079,252</u></u>

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

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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB liability	\$ 12,294,225	\$ 11,079,252	\$ 9,993,325

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:

	<u>1% Decrease (6.0% to 4.0%)</u>	<u>Current (7.0% to 5.0%)</u>	<u>1% increase (8.0% to 6.0%)</u>
Total OPEB liability	\$ 9,625,544	\$ 11,079,252	\$ 12,834,717

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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, 2021, 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, 2021, the County recognized OPEB expense of \$1,253,204. At June 30, 2021, 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	\$ 94,492	\$ 355,012
Changes in assumptions	1,348,985	468,185
Benefits paid subsequent to measurement period	981,504	-
Total	<u>\$ 2,424,981</u>	<u>\$ 823,197</u>

Benefits paid by the County subsequent to the measurement date of \$981,504 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, 2022. 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:	
2022	\$ 49,204
2023	49,204
2024	49,204
2025	49,204
2026	85,840
Thereafter	337,624
Total	<u>\$ 620,280</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured through the North Carolina Association of County Commissioners with claims.

The County obtained blanket property insurance coverage of \$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, 2021	\$ 298,736	\$ 5,444,175	\$ 5,053,718	\$ 689,193
June 30, 2020	617,293	4,033,280	4,351,837	298,736

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 10. 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 \$833,044 of outstanding construction commitments as of June 30, 2021.

NOTE 11. JOINTLY GOVERNED ORGANIZATIONS

Upper Coastal Plains Council of Governments. The County, along with three other counties and thirty-two municipalities jointly govern the Upper Coastal Plains Council of Governments, which is also referred to as the Region L Council (the "Council"). The participating governments established the Council to coordinate funding received from various federal and state agencies. The County paid membership fees and professional service fees of \$23,550 to the Council during the fiscal year ended June 30, 2021.

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, 2021, the County contributed \$1,366,878 for operating purposes and capital outlay. Complete financial statements may be obtained from the College's administrative office at Highway 158, Weldon, North Carolina 27890.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. JOINT VENTURES

Choanoke Public Transportation Authority. Counties Halifax, Bertie, Herford, and Northampton, participate in a joint venture to operate the Choanoke Public Transportation Authority (the “Transportation Authority”). Halifax County appoints three members to the board, and the other Counties each appoint two members. The Counties are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. There is no equity interest recognized by any participant. During the fiscal year ended June 30, 2021, the County contributed \$20,000 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, 2021, the County contributed \$40,000 for operating purposes. Complete financial statements may be obtained from the Airport’s administrative office at 700 Gregory Farm Road, Halifax, North Carolina 27839.

REQUIRED SUPPLEMENTARY INFORMATION

HALIFAX COUNTY, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 390,027	\$ 362,849	\$ 377,728	\$ 412,915
Interest on total OPEB liability	333,832	352,911	321,917	275,655
Difference between expected and actual experience	20,967	(458,977)	(10,033)	148,293
Changes of assumptions and other inputs	1,378,096	179,730	(310,357)	(528,942)
Benefit payments	(380,091)	(341,447)	(357,883)	(488,196)
Net change in total OPEB liability	<u>1,742,831</u>	<u>95,066</u>	<u>21,372</u>	<u>(180,275)</u>
Total OPEB liability - beginning	<u>9,336,421</u>	<u>9,241,355</u>	<u>9,219,983</u>	<u>9,400,258</u>
Total OPEB liability - ending	<u><u>\$ 11,079,252</u></u>	<u><u>\$ 9,336,421</u></u>	<u><u>\$ 9,241,355</u></u>	<u><u>\$ 9,219,983</u></u>
Covered employee payroll	\$ 20,999,345	\$ 21,049,616	\$ 22,689,082	\$ 18,532,504
Total OPEB liability as a percentage of covered payroll	52.8%	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 EIGHT FISCAL YEARS*

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.30286%	0.32505%	0.32914%	0.34813%
County's proportion of the net pension liability (asset) (\$)	\$ 10,822,478	\$ 8,876,863	\$ 7,808,326	\$ 5,142,163
County's covered payroll	\$ 22,395,077	\$ 19,813,447	\$ 21,024,756	\$ 21,387,061
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.33%	44.80%	37.14%	24.04%
Plan fiduciary net position as a percentage of the total pension liability	88.61%	91.63%	91.63%	94.18%
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.34813%	0.34115%	0.33898%	0.34810%
County's proportion of the net pension liability (asset) (\$)	\$ 7,388,485	\$ 1,531,061	\$ (1,999,122)	\$ 4,195,942
County's covered payroll	\$ 21,143,405	\$ 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	34.94%	7.50%	(9.78%)	21.88%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year 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 EIGHT FISCAL YEARS

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

	2021	2020	2019	2018
Contractually required contribution	\$ 2,166,047	\$ 1,925,482	\$ 1,608,639	\$ 1,635,512
Contributions in relation to the contractually required contribution	2,166,047	1,925,482	1,608,639	1,635,512
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,621,209	\$ 22,395,077	\$ 19,813,447	\$ 21,024,756
Contributions as a percentage of covered payroll	9.58%	8.60%	8.12%	7.78%
	2017	2016	2015	2014
Contractually required contribution	\$ 1,582,517	\$ 1,429,886	\$ 1,439,526	\$ 1,438,766
Contributions in relation to the contractually required contribution	1,582,517	1,429,886	1,439,526	1,438,766
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,387,061	\$ 21,143,405	\$ 20,409,317	\$ 20,433,406
Contributions as a percentage of covered payroll	7.40%	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, 2021

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, 2019
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, 2021

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	2021	2020	2019	2018	2017
Beginning balance of the total pension liability	\$ 1,919,745	\$ 1,673,256	\$ 1,691,384	\$ 1,586,970	\$ 1,579,681
Service cost	89,510	76,333	83,804	69,552	77,159
Interest on the total pension liability	61,237	58,962	51,845	59,401	54,829
Difference between expected and actual experience	(35,917)	166,499	10,835	(27,504)	-
Changes of assumptions or other inputs	571,009	53,557	(63,187)	99,146	(36,966)
Benefit payments	(86,611)	(108,862)	(101,425)	(96,181)	(87,733)
Ending balance of the total pension liability	<u>\$ 2,518,973</u>	<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 FIVE FISCAL YEARS
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,518,973	\$ 1,919,745	\$ 1,673,256	\$ 1,691,384	\$ 1,586,970
County's covered payroll	\$ 3,075,560	\$ 2,997,003	\$ 2,875,635	\$ 2,854,139	\$ 2,682,099
Total pension liability as a percentage of covered-employee payroll	81.90%	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 EIGHT FISCAL YEARS*

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	2021	2020	2019	2018
County's proportion of the net pension asset (%)	0.34143%	0.34441%	0.41554%	0.42784%
County's proportion of the net pension liability (asset) (\$)	\$ (78,249)	\$ (67,993)	\$ (68,826)	\$ (73,208)
County's covered payroll	\$ 67,891	\$ 66,714	\$ 61,939	\$ 87,076
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-115.26%	-101.92%	-111.12%	-84.07%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	153.77%	153.77%
	2017	2016	2015	2014
County's proportion of the net pension asset (%)	0.42215%	0.43917%	0.42865%	0.40189%
County's proportion of the net pension liability (asset) (\$)	\$ (78,925)	\$ (101,773)	\$ (97,158)	\$ (85,844)
County's covered payroll	\$ 89,433	\$ 84,819	\$ 84,385	\$ 81,119
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-88.25%	-119.99%	-115.14%	-105.82%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year 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 EIGHT FISCAL YEARS

REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

	2021	2020	2019	2018
Contractually required contribution	\$ 4,037	\$ 3,269	\$ 3,274	\$ 3,556
Contributions in relation to the contractually required contribution	4,037	3,269	3,274	3,556
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 71,408	\$ 67,891	\$ 66,714	\$ 61,939
Contributions as a percentage of covered payroll	5.65%	4.82%	4.91%	5.74%
	2017	2016	2015	2014
Contractually required contribution	\$ 3,717	\$ 3,449	\$ 3,514	\$ 3,500
Contributions in relation to the contractually required contribution	3,717	3,449	3,514	3,500
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 87,076	\$ 89,433	\$ 84,819	\$ 84,385
Contributions as a percentage of covered payroll	4.27%	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, 2021

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, 2019
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	3.50%
Salary increases	3.50 – 7.75%, including inflation
Investment rate of return	3.75%, net of pension plan investment expense, including inflation

HALIFAX COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

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	\$ 293,794	\$ 252	\$ 5,978	\$ 6,119	\$ 6,735
Taxes receivable	-	30,302	96,366	124,105	73,412
Accounts receivable	29,998	-	97,592	106,457	23,915
Due from other governments	6,003	-	-	-	-
Total assets	<u>\$ 329,795</u>	<u>\$ 30,554</u>	<u>\$ 199,936</u>	<u>\$ 236,681</u>	<u>\$ 104,062</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,171	\$ 252	\$ 103,570	\$ 113,902	\$ 30,650
Due to other funds	-	-	-	-	-
Total liabilities	<u>2,171</u>	<u>252</u>	<u>103,570</u>	<u>113,902</u>	<u>30,650</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - ad valorem	-	30,302	96,366	124,105	73,412
Total deferred inflows of resources	<u>-</u>	<u>30,302</u>	<u>96,366</u>	<u>124,105</u>	<u>73,412</u>
FUND BALANCES					
Restricted:					
Stabilization by State Statute	36,001	-	-	-	-
Public safety	291,623	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Assigned:					
Economic and physical development	-	-	-	(1,326)	-
Total fund balances	<u>327,624</u>	<u>-</u>	<u>-</u>	<u>(1,326)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 329,795</u>	<u>\$ 30,554</u>	<u>\$ 199,936</u>	<u>\$ 236,681</u>	<u>\$ 104,062</u>

(continued)

Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
Halifax County School District	COVID-19 Relief	Representative Payee	Economic Development	RPO Peanut Belt Capital Project	4-H Recreation	
\$ 8,345	\$ -	\$ 55,164	\$ -	\$ 92,975	\$ 110,500	\$ 579,862
116,223	-	-	-	-	-	440,408
148,847	-	-	68,999	10,454	-	486,262
-	2,606	-	-	230	-	8,839
<u>\$ 273,415</u>	<u>\$ 2,606</u>	<u>\$ 55,164</u>	<u>\$ 68,999</u>	<u>\$ 103,659</u>	<u>\$ 110,500</u>	<u>\$ 1,515,371</u>
\$ 157,192	\$ -	\$ 55,164	\$ -	\$ 1,208	\$ -	\$ 464,109
-	2,606	-	26,282	-	-	28,888
<u>157,192</u>	<u>2,606</u>	<u>55,164</u>	<u>26,282</u>	<u>1,208</u>	<u>-</u>	<u>492,997</u>
<u>116,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,408</u>
<u>116,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,408</u>
-	-	-	-	-	-	36,001
-	-	-	-	-	-	291,623
-	-	-	-	-	110,500	110,500
-	-	-	-	102,451	-	102,451
-	-	-	42,717	-	-	41,391
-	-	-	42,717	102,451	110,500	581,966
<u>\$ 273,415</u>	<u>\$ 2,606</u>	<u>\$ 55,164</u>	<u>\$ 68,999</u>	<u>\$ 103,659</u>	<u>\$ 110,500</u>	<u>\$ 1,515,371</u>

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Emergency Telephone System	Our Community Hospital Center	Weldon School District	Fire Districts	Roanoke Rapid School Graded District
REVENUES					
Property taxes	\$ -	\$ 3,728	\$ 1,324,399	\$ 1,588,113	\$ 2,047,835
Sales tax	-	-	431,601	327,440	-
Other taxes	-	-	-	-	-
Intergovernmental revenues	359,980	-	-	-	-
Investment earnings	64	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Total revenues	<u>360,044</u>	<u>3,728</u>	<u>1,756,000</u>	<u>1,915,553</u>	<u>2,047,835</u>
EXPENDITURES					
Public safety	250,507	-	-	1,916,879	-
Economic and physical development	-	-	-	-	-
Human services	-	3,728	-	-	-
Culture and recreation	-	-	-	-	-
Education	-	-	1,756,000	-	2,047,835
Intergovernmental	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>250,507</u>	<u>3,728</u>	<u>1,756,000</u>	<u>1,916,879</u>	<u>2,047,835</u>
Excess (deficiency) of revenues over (under) expenditures	109,537	-	-	(1,326)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	109,537	-	-	(1,326)	-
FUND BALANCES, beginning of year	<u>218,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 327,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,326)</u>	<u>\$ -</u>

(continued)

Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
Halifax County School District	COVID-19 Relief	Representative Payee	Economic Development	RPO Peanut Belt Capital Project	4-H Recreation	
\$ 2,061,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,026,056
-	-	-	-	-	-	759,041
708,342	-	-	-	-	-	708,342
-	1,981,807	-	200,000	41,555	110,000	2,693,342
-	-	-	207	-	-	271
-	-	313,446	68,986	-	-	382,432
2,770,323	1,981,807	313,446	269,193	41,555	110,000	11,569,484
-	-	-	-	-	-	2,167,386
-	-	-	-	51,943	-	51,943
-	1,472,907	313,446	-	-	-	1,790,081
-	-	-	-	-	3,500	3,500
2,770,323	-	-	-	-	-	6,574,158
-	508,900	-	-	-	-	508,900
-	-	-	1,000,000	-	-	1,000,000
-	-	-	108,966	-	-	108,966
2,770,323	1,981,807	313,446	1,108,966	51,943	3,500	12,204,934
-	-	-	(839,773)	(10,388)	106,500	(635,450)
-	-	-	124,659	-	-	124,659
-	-	-	(1,355,827)	-	-	(1,355,827)
-	-	-	(1,231,168)	-	-	(1,231,168)
-	-	-	(2,070,941)	(10,388)	106,500	(1,866,618)
-	-	-	2,113,658	112,839	4,000	2,448,584
\$ -	\$ -	\$ -	\$ 42,717	\$ 102,451	\$ 110,500	\$ 581,966

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Ad valorem taxes:				
Taxes	\$ 28,320,782	\$ 28,320,782	\$ 30,543,459	\$ 2,222,677
Tax penalties and interest	195,000	195,000	233,324	38,324
Total ad valorem taxes	28,515,782	28,515,782	30,776,783	2,261,001
Other taxes and licenses:				
Local option sales tax	9,560,000	9,560,000	11,278,432	1,718,432
Cable franchise tax	85,000	85,000	75,119	(9,881)
	9,645,000	9,645,000	11,353,551	1,708,551
Unrestricted intergovernmental revenues:				
Fines and forfeitures	185,000	185,000	152,533	(32,467)
Beer and wine tax	125,000	125,000	123,024	(1,976)
Total unrestricted intergovernmental revenues	310,000	310,000	275,557	(34,443)
Restricted intergovernmental revenues:				
Federal and State grants	731,125	1,263,667	1,212,282	(51,385)
North Carolina ADM allocation	200,000	200,000	200,000	-
Lottery proceeds	-	365,000	395,433	30,433
Halifax ABC revenue	132,000	330,329	384,873	54,544
Total restricted intergovernmental revenues	1,063,125	2,158,996	2,192,588	33,592
Permits and fees:				
Facility fees	60,000	60,000	53,604	(6,396)
Building inspection fees	200,000	200,000	194,617	(5,383)
Register of deeds fees	303,500	303,500	436,066	132,566
Other fees and rents	1,581,035	1,578,540	1,181,256	(397,284)
Total permits and fees	2,144,535	2,142,040	1,865,543	(276,497)
Sales and Services:				
Occupancy tax administration	850,000	890,087	942,701	52,614
Jail fees	65,000	65,000	69,561	4,561
Central communications	540,339	508,723	508,723	-
Other sales and services	3,650	28,650	22,442	(6,208)
Total sales and services revenues	1,458,989	1,492,460	1,543,427	50,967
Investment earnings	400,000	400,000	180,548	(219,452)
Miscellaneous revenues:	670,750	730,776	5,544,842	4,814,066
Total revenues	44,208,181	45,395,054	53,732,839	8,337,785

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures				
General government:				
Governing body				
Salaries and employee benefits	\$ 598,373	\$ 1,524,296	\$ 1,457,174	\$ 67,122
Operating expenditures	43,356	43,356	30,013	13,343
Total	641,729	1,567,652	1,487,187	80,465
Administration				
Salaries and employee benefits	587,963	591,660	584,616	7,044
Operating expenditures	73,799	72,009	25,421	46,588
Total	661,762	663,669	610,037	53,632
Human resources				
Salaries and employee benefits	249,108	249,856	201,736	48,120
Operating expenditures	27,714	27,911	15,704	12,207
Total	276,822	277,767	217,440	60,327
Finance				
Salaries and employee benefits	545,090	549,857	544,495	5,362
Operating expenditures	33,225	30,140	21,523	8,617
Total	578,315	579,997	566,018	13,979
Tax administration				
Salaries and employee benefits	1,161,122	1,178,232	1,106,869	71,363
Operating expenditures	332,781	421,028	276,396	144,632
Total	1,493,903	1,599,260	1,383,265	215,995
Tax revaluation				
Salaries and employee benefits	-	147,349	143,572	3,777
Operating expenditures	-	173,972	79,626	94,346
Capital outlay	-	32,000	-	32,000
Total	-	353,321	223,198	130,123
Legal				
Salaries and employee benefits	262,745	269,990	269,052	938
Operating expenditures	29,329	46,923	24,804	22,119
Total	292,074	316,913	293,856	23,057
Elections				
Salaries and employee benefits	214,674	214,255	191,964	22,291
Operating expenditures	93,859	166,872	110,430	56,442
Total	308,533	381,127	302,394	78,733

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
General government (Continued):				
Register of deeds				
Salaries and employee benefits	\$ 344,765	\$ 346,826	\$ 327,493	\$ 19,333
Operating expenditures	90,984	133,308	100,415	32,893
Total	435,749	480,134	427,908	52,226
Information technology services				
Salaries and employee benefits	269,853	270,639	267,807	2,832
Operating expenditures	451,256	561,500	360,005	201,495
Capital outlay	66,400	56,629	-	56,629
Total	787,509	888,768	627,812	260,956
Maintenance and repairs - public buildings				
Operating expenditures	591,150	664,349	379,333	285,016
Capital outlay	107,800	246,867	62,293	184,574
Total	698,950	911,216	441,626	469,590
Operations				
Salaries and employee benefits	964,614	971,097	893,565	77,532
Operating expenditures	129,658	131,803	77,817	53,986
Capital outlay	25,000	25,000	-	25,000
Total	1,119,272	1,127,900	971,382	156,518
Non-departmental expenditures				
Operating expenditures	2,136,529	2,380,967	1,873,196	507,771
Other general government				
Agriculture complex	34,790	34,790	29,256	5,534
Amphitheater	2,200	2,200	-	2,200
CADA	10,000	10,000	10,000	-
Community corrections building	16,802	16,802	13,147	3,655
Court service	91,170	91,170	75,264	15,906
Criminal justice building	10,679	10,964	10,965	(1)
CTPA	20,000	20,000	20,000	-
Fuel center	7,593	7,593	2,097	5,496
Historic courthouse	70,381	135,774	96,839	38,935
Judicial services	17,219	17,219	5,369	11,850
Klausner Lumner 2 Bankruptcy	-	457,187	241,073	216,114
Magistrates	7,940	7,940	7,940	-
Permits and inspections	7,557	7,557	5,732	1,825
Public buildings	11,090	11,090	9,022	2,068
Rural life complex	17,400	17,400	14,403	2,997
Total	324,821	847,686	541,107	306,579
Total general government:	9,755,968	12,376,377	9,966,426	2,409,951

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, 2021

Expenditures (Continued)	Budget		Actual	Variance With Final Budget
	Original	Final		
Public safety:				
Sheriff				
Salaries and employee benefits	\$ 4,970,573	\$ 5,022,540	\$ 3,339,144	\$ 1,683,396
Operating expenditures	1,048,800	1,122,776	808,258	314,518
Capital outlay	264,000	271,063	37,738	233,325
Total	6,283,373	6,416,379	4,185,140	2,231,239
Jail				
Salaries and employee benefits	1,740,344	1,749,807	1,645,010	104,797
Operating expenditures	1,461,515	1,464,944	1,047,452	417,492
Total	3,201,859	3,214,751	2,692,462	522,289
Emergency management				
Salaries and employee benefits	87,450	87,920	87,919	1
Operating expenditures	20,036	87,265	54,027	33,238
Capital outlay	-	14,749	14,332	417
Total	107,486	189,934	156,278	33,656
Central communications				
Salaries and employee benefits	1,421,927	1,428,881	1,176,954	251,927
Operating expenditures	71,687	194,376	105,491	88,885
Capital outlay	-	1,125,726	286,876	838,850
Total	1,493,614	2,748,983	1,569,321	1,179,662
Planning & inspections				
Salaries and employee benefits	419,922	423,574	400,311	23,263
Operating expenditures	51,614	48,566	25,554	23,012
Capital outlay	20,000	23,556	-	23,556
Total	491,536	495,696	425,865	69,831
Planning board				
Salaries and employee benefits	3,175	3,175	321	2,854
Board of adjustment				
Salaries and employee benefits	3,573	3,573	1,371	2,202
Fire department allocations				
Fire departments and rescue squads	79,000	79,000	79,000	-
Other public safety				
Bulletproof vest	-	6,372	-	6,372
Controlled substance	32,000	32,000	7,840	24,160
Coroner	60,000	65,100	65,100	-
Drug enforcement	200	200	-	200
Drug task force	4,000	4,000	-	4,000
DTF - federal asset	5,000	5,000	-	5,000
DTF - controlled substance	7,000	1,800	1,500	300
Emergency management supplement	-	118,000	55,362	62,638
Federal asset forfeiture	100,000	85,000	-	85,000
Halifax helps	200	200	-	200
Outside allocations	20,700	20,700	20,700	-
Tier II LEPC grant	-	1,237	45	1,192
Tool donations	-	2,724	2,569	155
Total	229,100	342,333	153,116	189,217
Total public safety	11,892,716	13,493,824	9,262,874	4,230,950

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Economic and physical development:				
Development communications				
Salaries and employee benefits	\$ 220,980	\$ 224,542	\$ 206,102	\$ 18,440
Operating expenditures	95,907	131,832	120,462	11,370
Total	316,887	356,374	326,564	29,810
Tourism				
Salaries and employee benefits	3,600	3,600	3,600	-
Co-Op/Farmers' market				
Salaries and employee benefits	2,854	3,085	-	3,085
Operating expenditures	2,246	3,643	1,643	2,000
Total	5,100	6,728	1,643	5,085
Co-Op extension				
Salaries and employee benefits	249,827	249,827	181,562	68,265
Operating expenditures	40,342	51,065	41,139	9,926
Total	290,169	300,892	222,701	78,191
Rural life				
Salaries and employee benefits	43,883	43,883	21,318	22,565
Operating expenditures	26,363	26,363	22,911	3,452
Capital outlay	44,000	44,000	9,000	35,000
Total	114,246	114,246	53,229	61,017
Natural Resources				
Salaries and employee benefits	181,817	184,271	120,359	63,912
Operating expenditures	13,841	14,335	9,491	4,844
Total	195,658	198,606	129,850	68,756
Other economic and physical development				
4-H account	4,500	16,684	3,127	13,557
AgCar farm grant	-	4,000	-	4,000
County extension	7,000	20,553	855	19,698
Co-Op round-up grant	-	719	719	-
CREP	-	979	120	859
Economic development incentives	-	252,500	252,500	-
Extension agent	10,000	25,529	-	25,529
Farm and ranchlands	-	12,000	-	12,000
Forestry	120,000	120,000	94,430	25,570
Halifax helps	-	68	68	-
Halifax helps FY18	-	1,720	-	1,720
Market based conservation	-	10,725	-	10,725
Monsanto grant	-	650	-	650
No till	-	7,385	42	7,343
NRCS equipment II	-	26,542	-	26,542
NRCS soil health	-	44,393	-	44,393
Outside allocations	42,500	62,500	8,500	54,000
RV Chamber of Commerce	43,100	43,100	34,793	8,307
Soil health	-	3,895	-	3,895
Total	227,100	653,942	395,154	258,788
Total economic and physical development	1,152,760	1,634,388	1,132,741	501,647

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Human services:				
Elderly transportation				
Operating expenditures	\$ -	\$ 13,172	\$ 13,142	\$ 30
Total	-	13,172	13,142	30
Operation Restart - restitution				
Salaries and employee benefits	66,805	53,368	53,367	1
Operating expenditures	20,450	15,506	15,505	1
Total	87,255	68,874	68,872	2
Operation restart				
Salaries and employee benefits	98,417	105,470	105,470	-
Operating expenditures	13,200	14,679	14,679	-
Total	111,617	120,149	120,149	-
Student incentive				
Salaries and employee benefits	86,567	89,398	55,529	33,869
Operating expenditures	13,300	20,418	17,767	2,651
Total	99,867	109,816	73,296	36,520
Other human services				
Aging	80,209	86,485	66,938	19,547
Aging block grant	-	50,430	28,769	21,661
Aging MIPPA	-	2,542	2,353	189
Council on aging	16,575	23,979	16,304	7,675
Council on aging donations - MoW	-	5,886	3,648	2,238
Home and community care block grant	292,174	390,137	353,201	36,936
JCPC advisory board	-	3,495	3,495	-
JCPC grant	-	50,500	50,500	-
Mental health	42,000	64,522	59,213	5,309
Outside allocations	400	400	-	400
SHIIP	-	9,572	7,784	1,788
Senior health insurance grant	-	8,439	5,679	2,760
Veterans office	64,352	65,428	65,196	232
Total	495,710	761,815	663,080	98,735
Total human services	794,449	1,073,826	938,539	135,287

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Cultural and recreational:				
Library				
Salaries and employee benefits	\$ 588,851	\$ 598,669	\$ 588,327	\$ 10,342
Operating expenditures	110,395	115,020	100,804	14,216
Capital outlay	20,000	25,500	25,480	20
Total	719,246	739,189	714,611	24,578
Other cultural and recreational				
Halifax helps	-	315	315	-
Outside allocations	1,000	1,000	-	1,000
Total	1,000	1,315	315	1,000
Total cultural and recreational	720,246	740,504	714,926	25,578
Education				
Public school - current expenditures	5,587,231	5,728,038	5,695,570	32,468
Public school - capital outlay	942,106	942,106	942,106	-
Community college - current expenditures	1,187,851	1,187,851	1,187,851	-
Community college - capital outlay	179,027	179,027	179,027	-
ADM - public school building fund	-	521,468	411,736	109,732
Total education	7,896,215	8,558,490	8,416,290	142,200
Debt Service				
Principal	2,821,133	4,358,101	4,228,951	129,150
Interest	688,394	690,602	686,578	4,024
Total debt service	3,509,527	5,048,703	4,915,529	133,174
Total expenditures	35,721,881	42,926,112	35,347,325	7,578,787
Excess of revenues over expenditures	8,486,300	2,468,942	18,385,514	15,916,572
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	18,670	18,670
Transfers in	1,580,816	6,372,399	6,355,746	(16,653)
Transfers out	(13,015,512)	(14,128,909)	(14,126,383)	2,526
Appropriated fund balance	2,948,396	5,287,568	-	(5,287,568)
Total other financing (uses)	(8,486,300)	(2,468,942)	(7,751,967)	(5,283,025)
Net change in fund balances	\$ -	\$ -	10,633,547	\$ 10,633,547
Net change in fund balance from consolidated funds:				
Public health department			356,019	
Social services department			(532,217)	
Emergency services management department			(209,441)	
Reassessment fund			(299,824)	
General Fund, net change in fund balance			<u>\$ 9,948,084</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, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Restricted intergovernmental	\$ 3,707,583	\$ 5,314,854	\$ 3,192,092	\$ (2,122,762)
Sales and services	-	-	8,355	8,355
Permits and fees	-	5,633	17,285	11,652
Miscellaneous revenue	5,039	12,081	11,909	(172)
Total revenues	3,712,622	5,332,568	3,229,641	(2,102,927)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	690,905	652,202	255,470	396,732
Operating expenditures	164,974	310,435	96,551	213,884
Capital outlay	42,000	42,000	-	42,000
Total	897,879	1,004,637	352,021	652,616
Animal control:				
Salaries and employee benefits	249,016	253,120	252,331	789
Operating expenditures	99,750	70,981	57,870	13,111
Capital outlay	-	28,200	28,165	35
Total	348,766	352,301	338,366	13,935
AIDS control:				
Salaries and employee benefits	285,718	286,065	188,925	97,140
Operating expenditures	32,420	37,420	12,984	24,436
Total	318,138	323,485	201,909	121,576
Tuberculosis control:				
Salaries and employee benefits	153,645	65,310	65,233	77
Operating expenditures	36,750	33,911	33,830	81
Total	190,395	99,221	99,063	158
Communicable disease:				
Salaries and employee benefits	107,414	107,414	57,440	49,974
Operating expenditures	6,180	6,181	5,100	1,081
Total	113,594	113,595	62,540	51,055
Home health:				
Salaries and employee benefits	-	1,419	1,419	-
Operating expenditures	-	20,602	20,602	-
Total	-	22,021	22,021	-
Adult health/diabetes:				
Salaries and employee benefits	263,185	264,372	34,063	230,309
Operating expenditures	66,400	94,126	45,840	48,286
Total	329,585	358,498	79,903	278,595

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued):				
Maternity:				
Salaries and employee benefits	\$ 232,926	\$ 237,629	\$ 196,813	\$ 40,816
Operating expenditures	98,600	99,101	68,297	30,804
Total	331,526	336,730	265,110	71,620
Family planning:				
Salaries and employee benefits	541,904	544,262	364,240	180,022
Operating expenditures	136,722	166,304	100,943	65,361
Total	678,626	710,566	465,183	245,383
Child services coordinator:				
Salaries and employee benefits	137,082	138,680	118,500	20,180
Operating expenditures	21,260	196,260	150,067	46,193
Total	158,342	334,940	268,567	66,373
Child health:				
Salaries and employee benefits	255,943	191,837	166,811	25,026
Operating expenditures	159,891	171,304	60,198	111,106
Total	415,834	363,141	227,009	136,132
Environmental health:				
Salaries and employee benefits	448,250	459,411	459,359	52
Operating expenditures	18,618	13,934	13,330	604
Total	466,868	473,345	472,689	656
Pandemic management:				
Salaries and employee benefits	-	1,014,154	537,624	476,530
Operating expenditures	-	76,500	45,956	30,544
Total	-	1,090,654	583,580	507,074
Other human services:				
Area L AHEC	-	3,500	3,500	-
Babies easy safe sleep training program	63,499	68,961	68,961	-
Baby love plus	156,880	159,542	153,516	6,026
Bioterrorism	44,701	44,701	38,133	6,568
Capital outlay - miscellaneous	31,450	38,397	35,694	2,703
Catch grant	-	53,713	53,524	189
Catch my breath	-	10,000	-	10,000
Child health - BESST AA	65,889	68,340	68,339	1
Diabetes	18,430	18,821	6,009	12,812
Enhanced direction	-	50,554	-	50,554
Folic acid grant	256,170	256,307	176,275	80,032
Health community program	39,235	39,762	39,762	-
Health working and wellness	43,831	46,071	46,071	-
Immunization action plan	123,703	65,614	56,113	9,501
Kate B Reynolds rural health	-	110,000	16,917	93,083

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued):				
Other human services (continued):				
Minority Diabetes Prevention	\$ 17,131	\$ 17,131	\$ 2,062	\$ 15,069
NCCU halo hand	-	29,923	29,924	(1)
Ready Set Baby	13,664	46,349	46,349	-
RR SNFI school nurse	150,000	150,000	150,000	-
Serve safe	-	8,619	8,619	-
Smart start	15,193	15,643	15,643	-
Triple P	392,074	399,009	399,008	1
Weldon SNFI school nurse	100,000	100,000	100,000	-
WIC - administration	10,111	19,854	19,696	158
WIC - breastfeeding	41,745	45,318	45,318	-
WIC - client services	196,779	254,048	237,802	16,246
WIC - nutrition ed	80,953	82,092	82,061	31
Total other	1,861,438	2,202,269	1,899,296	302,973
Total human services	6,110,991	7,785,403	5,337,257	2,448,146
Deficiency of revenues (under) expenditures	(2,398,369)	(2,452,835)	(2,107,616)	345,219
Other financing sources (uses)				
Proceeds from sale of assets	-	-	10,800	10,800
Transfers in	2,455,009	2,509,475	2,509,475	-
Transfer out	(56,640)	(56,640)	(56,640)	-
Total other financing sources (uses)	2,398,369	2,452,835	2,463,635	10,800
Net change in fund balances	\$ -	\$ -	\$ 356,019	\$ 356,019

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 8,860,935	\$ 9,608,659	\$ 9,198,187	\$ (410,472)
Permits and fees	-	-	6,320	6,320
Total revenues	8,860,935	9,608,659	9,204,507	(404,152)
Expenditures:				
Human services:				
General:				
Salaries and employee benefits	10,309,854	10,375,231	9,590,386	784,845
Operating expenditures	1,134,651	1,180,165	763,849	416,316
Capital outlay	17,184	17,184	17,184	-
Total	11,461,689	11,572,580	10,371,419	1,201,161
Other human services:				
4D-purchase	-	672,300	50,515	621,785
Adoption promotion	-	10,952	812	10,140
Adoptive assistance	60,354	60,354	54,745	5,609
Aid to the blind	8,000	8,000	7,387	613
CBA for foster care	358,000	366,356	351,282	15,074
CPS	-	2,865	1,234	1,631
Chore services	11,629	11,629	11,144	485
CP&L energy	4,139	4,961	3,731	1,230
Crisis intervention	383,613	483,613	483,294	319
Daycare	167,480	152,480	43,299	109,181
Family planning	10,000	10,000	3,247	6,753
Family reunification	10,921	10,921	8,513	2,408
Fees and refunds	-	47,016	2,182	44,834
Home and community care block grant	293,409	234,576	211,905	22,671
LIEAP program	383,613	605,857	605,359	498
Medicaid	265,000	265,000	194,952	70,048
Purchased services	70,000	59,300	24,335	34,965
Pandemic management	-	471,269	469,470	1,799
SAFE kids	-	2,879	-	2,879
Shift NC program	18,000	40,389	8,303	32,086
Social services to the aged	650,000	650,000	486,294	163,706
Special foster care	25,000	25,000	3,489	21,511
Work first	265,000	265,000	9,916	255,084
Total	2,984,158	4,460,717	3,035,408	1,425,309
Total human services	14,445,847	16,033,297	13,406,827	2,626,470
Deficiency of revenues (under) expenditures	(5,584,912)	(6,424,638)	(4,202,320)	2,222,318
Other financing uses				
Transfers in	5,657,096	5,742,287	5,742,287	-
Transfers out	(72,184)	(2,072,184)	(2,072,184)	-
Appropriated fund balance	-	2,754,535	-	(2,754,535)
Total other financing sources (uses)	5,584,912	6,424,638	3,670,103	(2,754,535)
Net change in fund balances	\$ -	\$ -	\$ (532,217)	\$ (532,217)

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Restricted intergovernmental	\$ 400,000	\$ 511,755	\$ 694,056	\$ 182,301
Sales and services	2,340,479	2,430,305	1,950,431	(479,874)
Miscellaneous revenue	-	14,607	15,523	916
Total revenues	2,740,479	2,956,667	2,660,010	(296,657)
Expenditures:				
Public Safety:				
Salaries and employee benefits	5,024,110	5,261,912	5,261,912	-
Operating expenditures	940,286	971,546	902,117	69,429
Capital outlay	187,000	154,404	140,118	14,286
Total	6,151,396	6,387,862	6,304,147	83,715
Debt Service:				
Principal	83,518	83,518	79,493	4,025
Interest	-	-	4,024	(4,024)
Total	83,518	83,518	83,517	1
Total expenditures	6,234,914	6,471,380	6,387,664	83,716
Deficiency of revenues (under) expenditures	(3,494,435)	(3,514,713)	(3,727,654)	(212,941)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	3,500	3,500
Transfers in	3,513,760	3,534,038	3,534,038	-
Transfers out	(19,325)	(19,325)	(19,325)	-
Total other financing sources	3,494,435	3,514,713	3,518,213	3,500
Net change in fund balances	\$ -	\$ -	\$ (209,441)	\$ (209,441)

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 176	\$ 176
Expenditures:				
General government:				
Operating expenditures	50,000	50,000	-	50,000
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(50,000)	176	50,176
Other financing sources (uses)				
Transfers in	50,000	50,000	50,000	-
Transfers out	-	(350,000)	(350,000)	-
Appropriation of fund balance	-	350,000	-	(350,000)
Total other financing sources (uses)	50,000	50,000	(300,000)	(350,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (299,824)</u>	<u>\$ (299,824)</u>

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.

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

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.

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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Restricted intergovernmental - wireless funding	\$ 361,539	\$ 361,539	\$ 359,980	\$ (1,559)
Investment earnings	-	-	64	64
Total revenues	<u>361,539</u>	<u>361,539</u>	<u>360,044</u>	<u>(1,495)</u>
EXPENDITURES				
Public safety	<u>361,539</u>	<u>534,512</u>	<u>250,507</u>	<u>284,005</u>
Total expenditures	<u>361,539</u>	<u>534,512</u>	<u>250,507</u>	<u>284,005</u>
Excess (deficiency) of revenues over (under) expenditures	-	(172,973)	109,537	282,510
OTHER FINANCING SOURCES				
Appropriated fund balance	-	172,973	-	(172,973)
Total other financing sources	<u>-</u>	<u>172,973</u>	<u>-</u>	<u>(172,973)</u>
Net change in fund balances	-	-	109,537	109,537
FUND BALANCE, beginning of year	<u>218,087</u>	<u>218,087</u>	<u>218,087</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 218,087</u>	<u>\$ 218,087</u>	<u>\$ 327,624</u>	<u>\$ 109,537</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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 3,525	\$ 3,732	\$ 3,728	\$ (4)
Total revenues	3,525	3,732	3,728	(4)
EXPENDITURES				
Human services	3,525	3,732	3,728	4
Total expenditures	3,525	3,732	3,728	4
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 1,256,000	\$ 1,325,000	\$ 1,324,399	\$ (601)
Sales taxes	335,000	412,696	431,601	18,905
Total revenues	1,591,000	1,737,696	1,756,000	18,304
EXPENDITURES				
Education	1,591,000	1,737,696	1,756,000	(18,304)
Total expenditures	1,591,000	1,737,696	1,756,000	(18,304)
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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 1,452,940	\$ 1,598,249	\$ 1,588,113	\$ (10,136)
Other taxes and licenses	241,350	308,890	327,440	18,550
Total revenues	<u>1,694,290</u>	<u>1,907,139</u>	<u>1,915,553</u>	<u>8,414</u>
EXPENDITURES				
Public safety	<u>1,694,290</u>	<u>1,907,139</u>	<u>1,916,879</u>	<u>(9,740)</u>
Net change in fund balances	-	-	(1,326)	(1,326)
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,326)</u>	<u>\$ (1,326)</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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	\$ 2,008,500	\$ 2,055,116	\$ 2,047,835	\$ (7,281)
Total revenues	<u>2,008,500</u>	<u>2,055,116</u>	<u>2,047,835</u>	<u>(7,281)</u>
EXPENDITURES				
Education	<u>2,008,500</u>	<u>2,055,116</u>	<u>2,047,835</u>	<u>7,281</u>
Total expenditures	<u>2,008,500</u>	<u>2,055,116</u>	<u>2,047,835</u>	<u>7,281</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
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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,790,000	\$ 2,070,000	\$ 2,061,981	\$ (8,019)
Other taxes and licenses	566,000	678,645	708,342	29,697
Total revenues	2,356,000	2,748,645	2,770,323	21,678
EXPENDITURES				
Education	2,356,000	2,748,645	2,770,323	(21,678)
Total expenditures	2,356,000	2,748,645	2,770,323	(21,678)
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
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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ -	\$ 2,034,271	\$ 1,981,807	\$ (52,464)
Total revenues	-	2,034,271	1,981,807	(52,464)
EXPENDITURES				
Human services	-	1,525,371	1,472,907	52,464
Intergovernmental	-	508,900	508,900	-
Total expenditures	-	2,034,271	1,981,807	52,464
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

HALIFAX COUNTY, NORTH CAROLINA
REPRESENTATIVE PAYEE FUND

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 313,446	\$ 313,446
Total revenues	-	-	313,446	313,446
EXPENDITURES				
Human services	-	-	313,446	(313,446)
Total expenditures	-	-	313,446	(313,446)
Net change in fund balances	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

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, 2021

	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	17,704,797	-	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	18,979,844	-	18,979,844
Deficiency of revenues (under) expenditures	(19,426,600)	(18,978,072)	-	(18,978,072)
OTHER FINANCING SOURCES (USES)				
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
Transfers out	-	-	(121,928)	(121,928)
Total other financing sources (uses)	19,426,600	19,100,000	(121,928)	18,978,072
Net change in fund balance	\$ -	\$ 121,928	(121,928)	\$ -
FUND BALANCE, beginning of year			121,928	
FUND BALANCE, end of year			\$ -	

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, 2021

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental:				
NC Department of Transportation	\$ 600,000	\$ 400,000	\$ 200,000	\$ 600,000
JBB Packaging	3,480	-	-	-
Total revenues	<u>603,480</u>	<u>400,000</u>	<u>200,000</u>	<u>600,000</u>
EXPENDITURES				
Economic Development				
Construction	529,220	513,597	-	513,597
Engineering	74,260	68,660	-	68,660
Total expenditures	<u>603,480</u>	<u>582,257</u>	<u>-</u>	<u>582,257</u>
Excess (deficiency) of revenues over (under) expenditures	-	(182,257)	200,000	17,743
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	-	600,000
Transfers out	-	-	(617,743)	(617,743)
Appropriation of fund balance	(600,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>600,000</u>	<u>(617,743)</u>	<u>(17,743)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 417,743</u>	<u>(417,743)</u>	<u>\$ -</u>
FUND BALANCE, beginning of year			<u>417,743</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, 2021

	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 (under) expenditures	(133,880)	(347,729)	-	(347,729)
OTHER FINANCING SOURCES (USES)				
Transfers in	963,885	963,885	-	963,885
Transfers out			(616,156)	(616,156)
Appropriate reserves to fund balance	(830,005)	-	-	-
Total other financing sources (uses)	<u>133,880</u>	<u>963,885</u>	<u>(616,156)</u>	<u>347,729</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 616,156</u>	(616,156)	<u>\$ -</u>
FUND BALANCE, beginning of year			<u>616,156</u>	
FUND BALANCE, end of year			<u>\$ -</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, 2021

	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	207	221
Miscellaneous	-	-	68,986	68,986
Total revenues	<u>1,060,000</u>	<u>14</u>	<u>69,193</u>	<u>69,207</u>
EXPENDITURES				
Economic development:				
Administration	50,000	-	-	-
Construction	1,857,000	-	-	-
Contingency	93,000	-	-	-
Debt service				
Principal	-	-	1,000,000	1,000,000
Interest and fiscal charges	60,000	42,183	108,966	151,149
Total expenditures	<u>2,060,000</u>	<u>42,183</u>	<u>1,108,966</u>	<u>1,151,149</u>
Deficiency of revenues (under) expenditures	(1,000,000)	(42,169)	(1,039,773)	(1,081,942)
OTHER FINANCING SOURCES				
Transfers in	-	-	124,659	124,659
Loan proceeds	1,000,000	1,000,000	-	1,000,000
Total other financing sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>124,659</u>	<u>1,124,659</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 957,831</u>	(915,114)	<u>\$ 42,717</u>
FUND BALANCE, beginning of year			<u>957,831</u>	
FUND BALANCE, end of year			<u>\$ 42,717</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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Restricted intergovernmental	\$ 106,375	\$ 106,375	\$ 41,555	\$ (64,820)
Total revenues	106,375	106,375	41,555	(64,820)
EXPENDITURES				
Economic and physical development	132,969	132,969	51,943	81,026
Total expenditures	132,969	132,969	51,943	81,026
Deficiency of revenues (under) expenditures	(26,594)	(26,594)	(10,388)	16,206
OTHER FINANCING SOURCES				
Transfers in	26,594	26,594	-	(26,594)
Total other financing sources	26,594	26,594	-	(26,594)
Net change in fund balances	-	-	(10,388)	(10,388)
FUND BALANCE, beginning of year	112,839	112,839	112,839	-
FUND BALANCE, end of year	<u>\$ 112,839</u>	<u>\$ 112,839</u>	<u>\$ 102,451</u>	<u>\$ (10,388)</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, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total
REVENUES				
Restricted intergovernmental	\$ 512,000	\$ -	\$ 110,000	\$ 110,000
Total revenues	<u>512,000</u>	<u>-</u>	<u>110,000</u>	<u>110,000</u>
EXPENDITURES				
Culture and recreation				
Administration	10,000	6,000	3,500	9,500
Construction	512,000	-	-	-
Total expenditures	<u>522,000</u>	<u>6,000</u>	<u>3,500</u>	<u>9,500</u>
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(6,000)	106,500	100,500
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	-	10,000
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,000</u>	106,500	<u>\$ 110,500</u>
FUND BALANCE, beginning of year			<u>4,000</u>	
FUND BALANCE, end of year			<u>\$ 110,500</u>	

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, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Landfill fees	\$ 4,242,553	\$ 4,266,302	\$ 4,017,197	\$ (249,105)
Other operating	-	-	33	33
Investment earnings	15,000	15,000	790	(14,210)
Total revenues	<u>4,257,553</u>	<u>4,281,302</u>	<u>4,018,020</u>	<u>(263,282)</u>
EXPENDITURES				
Landfill operations	2,655,834	2,681,988	2,713,210	(31,222)
Ash monofill cell	33,199	33,199	115,809	(82,610)
Transfer station	1,399,502	1,401,006	1,020,447	380,559
Debt service	189,789	189,839	189,838	1
Total expenditures	<u>4,278,324</u>	<u>4,306,032</u>	<u>4,039,304</u>	<u>266,728</u>
Deficiency of revenues (under) expenditures	(20,771)	(24,730)	(21,284)	3,446
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,428)	(42,658)	(43,419)	(761)
Transfers in	-	256,659	256,658	(1)
Appropriated fund balance	33,199	(189,271)	-	189,271
Total other financing sources	<u>20,771</u>	<u>24,730</u>	<u>213,239</u>	<u>188,509</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	191,955	<u>\$ 191,955</u>
Adjustments to full accrual:				
Payments of debt service - principal			184,552	
Decrease in estimated postclosure costs			110,666	
Decrease in compensated absences			441	
Change in net pension liability and related deferred items			(6,257)	
Change in accrued interest			1,538	
Depreciation expense			(106,612)	
Purchase of capital assets			106,696	
Landfill Closure Capital Reserve Fund - net change in net position			23	
White Goods Handling Facility - net change in net position			9,863	
Electronic Management Fund - net change in net position			1,798	
Tire Disposal Fund - net change in net position			5,426	
Ash Monofill Project Fund - net change in net position			(217,975)	
C&D Landfill Project Fund - net change in net position			(51,111)	
Change in net position - GAAP Basis			<u>\$ 231,003</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 23	\$ 23
Total revenues	-	-	23	23
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 9,803	\$ 9,803
Interest	-	-	60	60
Total revenues	-	-	9,863	9,863
EXPENDITURES				
Landfill operations	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(10,000)	9,863	19,863
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	\$ -	\$ -	\$ 9,863	\$ 9,863

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 3,000	\$ 3,000	\$ 630	\$ (2,370)
Total revenues	3,000	3,000	630	(2,370)
EXPENDITURES				
Landfill operations	8,279	18,279	8,832	9,447
Total expenditures	8,279	18,279	8,832	9,447
Deficiency of revenues (under) expenditures	(5,279)	(15,279)	(8,202)	7,077
OTHER FINANCING SOURCES				
Transfers in	-	10,000	10,000	-
Appropriated fund balance	5,279	5,279	-	(5,279)
Total other financing sources	5,279	15,279	10,000	(5,279)
Net change in net position	\$ -	\$ -	\$ 1,798	\$ 1,798

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 80,000	\$ 80,000	\$ 77,281	\$ (2,719)
Total revenues	80,000	80,000	77,281	(2,719)
EXPENDITURES				
Landfill operations	80,000	115,000	106,855	8,145
Total expenditures	80,000	115,000	106,855	8,145
Deficiency of revenues (under) expenditures	-	(35,000)	(29,574)	5,426
OTHER FINANCING SOURCES				
Transfers in	-	35,000	35,000	-
Total other financing sources	-	35,000	35,000	-
Net change in net position	\$ -	\$ -	\$ 5,426	\$ 5,426

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, 2021**

	<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	<u>-</u>	<u>(1,715,367)</u>	<u>(217,975)</u>	<u>(1,933,342)</u>
Total other financing sources (uses)	<u>2,715,299</u>	<u>999,932</u>	<u>(217,975)</u>	<u>781,957</u>
 Net change in net position	 <u>\$ -</u>	 <u>\$ 217,975</u>	 <u>\$ (217,975)</u>	 <u>\$ -</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, 2021**

	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)	(51,111)	(295,536)
Total other financing sources (uses)	<u>737,483</u>	<u>493,058</u>	<u>(51,111)</u>	<u>441,947</u>
Net change in net position	<u>\$ -</u>	<u>\$ 51,111</u>	<u>\$ (51,111)</u>	<u>\$ -</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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 6,348,583	\$ 6,348,583	\$ 6,287,971	\$ (60,612)
Investment earnings	2,500	2,500	2,887	387
Miscellaneous	230,100	230,100	217,792	(12,308)
Total revenues	<u>6,581,183</u>	<u>6,581,183</u>	<u>6,508,650</u>	<u>(72,533)</u>
EXPENDITURES				
Administration	1,590,231	1,587,955	1,357,444	230,511
Operations	3,083,629	3,126,628	2,801,421	325,207
Repairs and maintenance	87,400	89,999	42,487	47,512
Capital outlays	115,000	115,000	87,451	27,549
Debt service and fiscal charges	1,606,823	1,564,266	1,616,263	(51,997)
Total expenditures	<u>6,483,083</u>	<u>6,483,848</u>	<u>5,905,066</u>	<u>578,782</u>
Excess of revenues over expenditures	98,100	97,335	603,584	506,249
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	5,908,000	5,908,000
Payment to refunded bonds escrow agent	-	-	(5,865,443)	(5,865,443)
Proceeds from sale of capital assets	-	-	1,675	1,675
Transfers out	(98,100)	(99,050)	(99,050)	-
Appropriation of fund balance	-	1,715	-	(1,715)
Total other financing (uses)	<u>(98,100)</u>	<u>(97,335)</u>	<u>(54,818)</u>	<u>42,517</u>
Net change in net position	<u>\$ -</u>	<u>\$ -</u>	548,766	<u>\$ 548,766</u>
Adjustments to full accrual:				
Depreciation expense			(1,773,737)	
Change in accrued interest			13,757	
Principal payments on long-term debt			1,160,996	
Proceeds from bond issuance			(5,908,000)	
Payment to refunded bonds escrow agent			5,865,443	
Change in compensated absences			(205)	
Purchase of capital assets			87,451	
Change in net pension liability and related deferred items			(42,884)	
Water Debt Service Fund - net change in fund balance			1,043	
Change in net position - GAAP Basis			<u>\$ (47,370)</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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 100	\$ 100	\$ 93	\$ (7)
Total revenues	100	100	93	(7)
EXPENDITURES				
Administration	100	100	-	100
Debt service	98,100	98,100	98,100	-
Total expenditures	98,200	98,200	98,100	100
Deficiency of revenues (under) expenditures	(98,100)	(98,100)	(98,007)	93
OTHER FINANCING SOURCES				
Transfers in	98,100	99,050	99,050	-
Appropriation of fund balance	-	(950)	-	950
Total other financing sources	98,100	98,100	99,050	950
Net change in net position	\$ -	\$ -	\$ 1,043	\$ 1,043

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, 2021

	Health Insurance	Unemployment	
ASSETS	Fund	Insurance	Totals
		Fund	
Cash and cash equivalents	\$ 3,367,812	\$ 90,152	\$ 3,457,964
Receivables	-	142	142
Total assets	<u>3,367,812</u>	<u>90,294</u>	<u>3,458,106</u>
LIABILITIES			
Accounts payables	168,189	-	168,189
Claims payable	689,193	-	689,193
Total liabilities	<u>857,382</u>	<u>-</u>	<u>857,382</u>
NET POSITION			
Unrestricted	2,510,430	90,294	2,600,724
Total net position	<u>\$ 2,510,430</u>	<u>\$ 90,294</u>	<u>\$ 2,600,724</u>

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Health Insurance Fund	Unemployment Insurance Fund	Totals
OPERATING REVENUES			
Other operating revenues	\$ 5,441,875	\$ 300,945	\$ 5,742,820
Total operating revenues	5,441,875	300,945	5,742,820
OPERATING EXPENSES			
Claims and payments to third party administrators	5,444,175	12,564	5,456,739
Salaries and benefits	1,618	-	1,618
Total operating expenses	5,445,793	12,564	5,458,357
Operating income (loss)	(3,918)	288,381	284,463
NON-OPERATING REVENUES			
Investment earnings	880	95	975
Total non-operating revenue	880	95	975
OTHER FINANCING USES			
Transfers out	-	(325,000)	(325,000)
Total other financing uses	-	(325,000)	(325,000)
Change in net position	(3,038)	(36,524)	(39,562)
Net position, beginning of year	2,513,468	126,818	2,640,286
Net position, end of year	\$ 2,510,430	\$ 90,294	\$ 2,600,724

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Health Insurance Fund	Unemployment Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,441,875	\$ 300,803	\$ 5,742,678
Payments to suppliers	(4,968,049)	(12,564)	(4,980,613)
Net cash provided by operating activities	473,826	288,239	762,065
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	880	95	975
Net cash provided by investing activities	880	95	975
CASH FLOWS FROM NONCAPITAL RELATED FINANCING ACTIVITIES			
Transfers out	-	(325,000)	(325,000)
Net cash used in noncapital related financing activities	-	(325,000)	(325,000)
Net increase (decrease) in cash and cash equivalents	474,706	(36,666)	438,040
Cash and cash equivalents, beginning of year	2,893,106	126,818	3,019,924
Cash and cash equivalents, end of year	\$ 3,367,812	\$ 90,152	\$ 3,457,964
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (3,918)	\$ 288,381	\$ 284,463
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in accounts receivable	-	(142)	(142)
Increase in accounts payable	87,287	-	87,287
Increase in claims payable	390,457	-	390,457
Net cash provided by operating activities	\$ 473,826	\$ 288,239	\$ 762,065

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, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 5,700,000	\$ 5,700,000	\$ 5,441,875	\$ (258,125)
Investment earnings	-	-	880	880
Total revenues	5,700,000	5,700,000	5,442,755	(257,245)
EXPENDITURES				
Salaries	-	1,618	1,618	-
Operations	5,700,000	5,698,382	5,053,718	644,664
Total expenditures	5,700,000	5,700,000	5,055,336	644,664
Excess of revenues over expenditures	-	-	387,419	387,419
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in net position	\$ -	\$ -	387,419	\$ 387,419
Adjustments to full accrual:				
Increase in claims payable			(390,457)	
Change in net position - GAAP Basis			<u>\$ (3,038)</u>	

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

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 278,359	\$ 278,359	\$ 300,945	\$ 22,586
Investment earnings	-	-	95	95
Total revenues	278,359	278,359	301,040	22,681
EXPENDITURES				
Claims paid	25,000	25,000	12,564	12,436
Total expenditures	25,000	25,000	12,564	12,436
Excess of revenues over expenditures	253,359	253,359	288,476	35,117
OTHER FINANCING SOURCES (USES)				
Transfers out	(325,000)	(325,000)	(325,000)	-
Appropriated fund balance	71,641	71,641	-	(71,641)
Total other financing (uses)	(253,359)	(253,359)	(325,000)	(71,641)
Net change in net position	\$ -	\$ -	\$ (36,524)	\$ (36,524)

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE JUNE 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 30,720,931	\$ 30,193,891	\$ 527,040
2019-2020	675,951	-	347,009	328,942
2018-2019	330,540	-	96,119	234,421
2018-2019	236,187	-	43,541	192,646
2017-2018	181,282	-	26,746	154,536
2016-2017	151,745	-	21,312	130,433
2015-2016	157,194	-	16,375	140,819
2014-2015	159,810	-	13,173	146,637
2013-2014	155,276	-	10,535	144,741
2012-2013	134,294	-	13,456	120,838
2011-2012	123,880	-	123,880	-
	<u>\$ 2,306,159</u>	<u>\$ 30,720,931</u>	<u>\$ 30,906,037</u>	<u>2,121,053</u>
Less: allowance for uncollectible accounts - General Fund				<u>(666,058)</u>
Ad valorem taxes receivable - net				<u>\$ 1,454,995</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 30,776,783
Reconciling items:				
Interest and penalties				(233,324)
Amounts written off for tax years per statute of limitations				123,880
Releases				7,870
Refunds				(37,103)
Writeoffs/discounts				240,366
Tax bill adjustments				(161,840)
Discoveries and rollback				122,070
Miscellaneous adjustments				67,335
Total collections and credits				<u>\$ 30,906,037</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY JUNE 30, 2021

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 4,035,402,642	0.760	\$ 30,669,060	\$27,271,603	\$3,397,457
Penalties	-		95,137	95,137	-
Total	<u>4,035,402,642</u>		<u>30,764,197</u>	<u>27,366,740</u>	<u>3,397,457</u>
Discoveries	<u>22,707,763</u>	0.760	<u>172,579</u>	<u>172,579</u>	<u>-</u>
Late list penalties			92,882	92,882	-
Releases	<u>(158,826)</u>	0.760	<u>(120,708)</u>	<u>(120,708)</u>	<u>-</u>
Total property valuation	<u>\$ 4,035,243,816</u>				
Net levy			30,908,950	27,511,493	3,397,457
Uncollected taxes at June 30, 2021			<u>(527,040)</u>	<u>(527,040)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 30,381,910</u>	<u>\$26,984,453</u>	<u>\$3,397,457</u>
Current levy collection percentage			<u>98.29%</u>	<u>98.08%</u>	<u>100.00%</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2021

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio 98%

Real property	\$	2,836,327,136
Personal property		946,624,752
Public service companies		252,450,754
Total assessed valuation	\$	<u>4,035,402,642</u>

Tax rate per \$100	\$	<u>0.76</u>
--------------------	----	-------------

Levy (including discoveries, releases and abatements)	\$	<u>30,669,060</u>
---	----	-------------------

In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts, fire protection districts, and the community hospital:

Weldon schools	\$	1,270,381
Fire protection districts		1,320,262
Roanoke Rapids schools		<u>1,738,653</u>
Total	\$	<u>4,329,296</u>

STATISTICAL SECTION

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

Page

Financial Trends 127

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 132

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

Debt Capacity 136

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 140

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 142

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

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

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

	Fiscal Year									
	2021	2020	2019	2018 (**)	2017 (**)	2016 (*)	2015 (*)	2014	2013	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 15,410,841	\$ 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
Restricted	21,412,545	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
Unrestricted	(2,565,034)	(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)
Total governmental activities net assets	\$ 34,258,352	\$ 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
Business-type activities										
Invested in capital assets, net of related debt	\$ 10,811,855	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,233,343	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
Total business-type activities net assets	\$ 14,045,198	\$ 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
Primary government										
Invested in capital assets, net of related debt	\$ 26,222,696	\$ 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
Restricted	21,412,545	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
Unrestricted	668,309	(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
Total primary government net assets	\$ 48,303,550	\$ 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

*-For the fiscal year ended June 30, 2015, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 which required the County to report its share of the next pension liability for the North Carolina Local Governmental Employees' Retirement System (LGERS). The County's share of the NPL for LGERS grew in 2016 as well, leading to the increase in 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									
	<u>2021</u>	<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>
Expenses										
Governmental activities:										
General government	\$ 10,302,771	\$ 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
Public safety	17,765,633	18,680,287	18,654,857	17,137,119	15,223,699	14,740,869	14,197,958	13,761,938	14,124,871	12,844,194
Economic & physical development	1,036,444	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
Human Services	23,883,268	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
Cultural & Recreational	738,820	721,052	845,917	686,028	506,484	579,074	540,741	651,086	617,701	683,275
Education	14,990,448	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
Interest & fiscal charges	793,437	776,980	802,858	882,908	1,012,473	1,119,155	805,349	1,042,433	921,100	938,783
Total governmental activities expenses	\$ 69,510,821	\$ 65,116,418	\$ 66,646,571	\$ 71,171,364	\$ 75,968,687	\$ 63,941,577	\$ 60,522,910	\$ 65,812,691	\$ 62,181,080	\$ 63,693,599
Business-type activities:										
Water & Sewer	\$ 6,557,788	\$ 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
Landfill/Solid Waste	3,863,967	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
Total business-type activities	\$ 10,421,755	\$ 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
Total primary governmental expenses	\$ 79,932,576	\$ 75,562,398	\$ 82,606,354	\$ 81,890,094	\$ 85,651,937	\$ 74,723,944	\$ 70,336,684	\$ 75,555,034	\$ 71,614,891	\$ 79,526,194
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,536,840	\$ 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
Public Safety	2,157,122	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
Economic and physical development	293,758	242,267	268,157	272,355	-	80,544	-	-	-	-
Human Services	342,241	135,059	48,857	39,560	-	-	124,808	148,547	102,747	158,807
Cultural and recreational	16,106	33,153	25,011	11,408	20,816	26,945	24,904	25,439	21,822	19,223
Operating grants and contributions	18,045,577	15,558,129	17,520,859	16,755,893	17,721,133	17,909,200	17,490,294	16,704,854	17,435,430	21,669,387
Capital grants and contributions	200,000	400,000	267,649	903,585	4,101,133	1,843,555	1,340,173	1,349,798	1,257,897	1,369,143
Total governmental activities program revenues	\$ 29,591,644	\$ 23,141,776	\$ 24,434,125	\$ 23,410,025	\$ 37,063,417	\$ 26,222,888	\$ 24,557,272	\$ 23,900,836	\$ 24,100,853	\$ 28,801,888
Business-type activities:										
Charges of services:										
Water and sewer	\$ 6,505,763	\$ 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
Solid waste	4,104,944	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
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	578,216	117,952	128,416	404,482	553,201	642,755	766,515	2,511
Total business-type activities program revenues	\$ 10,610,707	\$ 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
Total primary governmental program revenues	\$ 40,202,351	\$ 33,493,611	\$ 35,036,833	\$ 33,848,735	\$ 47,356,985	\$ 37,275,698	\$ 34,072,109	\$ 33,346,530	\$ 33,576,466	\$ 41,777,153
Net (Expense)/Revenue										
Governmental activities	\$ (39,919,177)	\$ (41,974,642)	\$ (42,212,446)	\$ (47,761,339)	\$ (38,905,270)	\$ (37,718,688)	\$ (35,965,638)	\$ (41,911,855)	\$ (38,080,227)	\$ (34,891,710)
Business-type activities	188,952	(94,145)	(5,357,075)	(280,020)	610,318	270,443	(298,937)	(296,649)	41,802	(2,857,330)
Total primary government net expense	\$ (39,730,225)	\$ (42,068,787)	\$ (47,569,521)	\$ (48,041,359)	\$ (38,294,952)	\$ (37,448,245)	\$ (36,264,575)	\$ (42,208,504)	\$ (38,038,425)	\$ (37,749,040)

(Continued)

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

	Fiscal Year									
	<u>2021</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 37,604,253	\$ 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
Local option sales tax	12,037,473	10,277,087	10,520,348	9,677,612	-	7,961,352	8,161,488	7,211,131	7,462,883	7,441,555
Other taxes	783,461	683,992	702,002	285,520	-	93,902	99,262	118,989	144,424	121,816
Interest earned on investments	180,995	209,127	679,054	203,391	82,528	56,252	37,586	67,661	39,775	39,565
Miscellaneous	-	-	-	-	-	-	441,373	1,567,406	312,523	432,380
Transfers	10,847	(60,949)	(47,543)	24,255	(2,443,123)	(49,541)	-	-	(18,296)	24,359
Total governmental activities	\$ 50,617,029	\$ 46,864,934	\$ 46,628,018	\$ 44,679,618	\$ 29,449,058	\$ 37,989,691	\$ 38,306,411	\$ 38,903,257	\$ 37,118,171	\$ 37,120,220
Business-type activities:										
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Privilege Tax	-	-	-	-	-	70,542	67,973	74,366	83,280	84,179
Interest	3,853	37,776	55,043	49,564	16,275	11,911	3,357	5,556	7,036	8,427
Miscellaneous	1,675	-	-	-	-	-	-	-	-	-
Transfers	(10,847)	60,949	47,543	(24,255)	-	(459)	-	-	18,296	(24,359)
Total business-type activities	\$ (5,319)	\$ 98,725	\$ 102,586	\$ 25,309	\$ 16,275	\$ 81,994	\$ 71,330	\$ 79,922	\$ 108,612	\$ 68,247
Total primary government	\$ 50,611,710	\$ 46,963,659	\$ 46,730,604	\$ 44,704,927	\$ 29,465,333	\$ 38,071,685	\$ 38,377,741	\$ 38,983,179	\$ 37,226,783	\$ 37,188,467
Change in Net Position										
Governmental activities	\$ 10,697,852	\$ 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
Business-type activities	183,633	4,580	(5,254,489)	(254,711)	431,690	352,437	(227,607)	(216,727)	150,414	(2,789,083)
Total primary government	\$ 10,881,485	\$ 4,894,872	\$ (838,917)	\$ (3,336,432)	\$ (6,581,399)	\$ 623,440	\$ 2,113,166	\$ (3,225,325)	\$ (811,642)	\$ (560,573)

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

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017-Restated</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Nonspendable	\$ -	\$ 2,913	\$ 218,413	\$ 372,305	\$ 34,500	\$ 193,435	\$ 108,076	\$ 47,097	\$ 67,992	\$ 787,417
Restricted	21,772,508	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
Committed	-	-	-	-	-	-	-	888,375	1,063,800	1,010,972
Assigned	3,430,278	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
Unassigned	24,435,392	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
Total General Fund	<u>\$ 49,638,178</u>	<u>\$ 39,690,093</u>	<u>\$ 35,185,027</u>	<u>\$ 31,843,736</u>	<u>\$ 28,803,073</u>	<u>\$ 25,960,994</u>	<u>\$ 26,713,384</u>	<u>\$ 27,111,500</u>	<u>\$ 29,748,050</u>	<u>\$ 33,291,780</u>
All other governmental funds										
Nonspendable	\$ -	\$ 200	\$ 200	\$ 203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	540,575	334,726	813,052	712,008	11,402,505	1,009,628	1,844,507	951,229	1,722,420	2,686,525
Committed	-	-	-	-	27,396	39,849	145,595	629,102	2,255,244	1,182,015
Assigned	41,391	2,113,658	1,254,347	1,858,222	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,994,684)	(343,430)	(736,967)	(1,158,743)	(2,625,090)	(3,344,767)
Total all other governmental funds	<u>\$ 581,966</u>	<u>\$ 2,448,584</u>	<u>\$ 2,067,599</u>	<u>\$ 2,570,433</u>	<u>\$ 9,435,217</u>	<u>\$ 706,047</u>	<u>\$ 1,253,135</u>	<u>\$ 421,588</u>	<u>\$ 1,352,574</u>	<u>\$ 523,773</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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Ad valorem taxes	\$ 37,802,839	\$ 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
Other taxes and licenses	12,820,934	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
Unrestricted intergovernmental revenues	-	-	-	-	347,331	361,425	385,800	347,751	390,315	408,382
Restricted intergovernmental revenues	18,245,822	15,957,884	17,788,508	18,266,441	21,608,486	19,902,329	17,486,635	16,450,460	17,545,805	18,649,613
Permits and fees	1,889,148	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
Sales and services	3,502,213	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
Investment earnings	180,995	209,127	679,054	203,391	78,379	54,342	29,823	56,469	21,802	29,070
Miscellaneous	5,954,706	1,433,941	837,495	467,371	488,289	598,374	354,324	329,311	312,426	412,940
Total revenues	\$ 80,396,657	\$ 69,815,807	\$ 71,146,160	\$ 68,510,268	\$ 69,447,081	\$ 63,496,287	\$ 56,053,511	\$ 54,950,648	\$ 55,100,600	\$ 55,933,630
Expenditures										
General government	\$ 9,966,426	\$ 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
Public safety	17,734,407	18,306,592	18,609,490	17,143,327	16,890,493	16,200,768	13,265,922	13,146,632	12,983,238	13,479,012
Economic and physical development	1,184,684	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
Human services	21,472,704	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
Cultural and recreational	718,426	663,084	788,615	676,777	604,985	655,299	631,639	711,853	680,198	735,805
Education	14,990,448	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
Intergovernmental	508,900	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	171,495	-	-	-	-	-	-
Debt service										
Principal	5,308,444	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
Interest	799,568	783,154	809,072	889,271	1,147,364	802,052	821,056	854,222	921,099	936,291
Total expenditures	\$ 72,684,007	\$ 66,396,220	\$ 68,878,762	\$ 73,374,607	\$ 78,408,612	\$ 63,875,589	\$ 54,683,068	\$ 54,854,593	\$ 57,478,840	\$ 67,370,544
Excess of revenues over (under) expenditures	\$ 7,712,650	\$ 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)
Other financing sources (uses)										
Intrafund transfers in (out)										
Transfers in	1,817,914	585,000	1,020,896	282,706	1,316,239	301,089	421,791	1,292,222	296,406	1,076,323
Transfers out	(1,482,067)	(270,949)	(692,837)	(11,951)	(1,069,739)	(954,130)	(2,190,350)	(4,474,827)	(1,461,896)	(826,964)
Refunding issued	-	-	-	-	12,005,000	-	-	-	-	-
Payment to escrow agent	-	-	-	-	(11,899,646)	-	-	-	-	-
Proceeds from sale of capital assets	32,970	-	-	371,757	-	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	258,000	18,036,030	-	450,000	-	2,552,967
Issuance of capital lease	-	-	243,000	-	-	-	-	-	-	-
Proceeds of Capital Lease	-	-	-	397,706	-	-	-	-	-	-
Issuance of installment note	-	1,152,413	-	-	-	-	-	-	-	-
Total other financing sources (uses)	368,817	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
Net change in fund balances	\$ 8,081,467	\$ 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)
Debt services as a percentage of noncapital expenditures	8.40%	5.23%	5.10%	4.99%	5.22%	3.77%	4.53%	5.19%	4.89%	4.82%

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			
2021	\$ 2,836,327,136	\$ 252,450,754	\$ 946,624,752	\$ 4,035,402,642	\$ 0.7600
2020	2,897,671,830	257,910,813	967,098,555	4,122,681,198	0.7700
2019	2,598,424,265	231,275,919	867,224,621	3,696,924,805	0.7700
2018	2,506,154,072	223,063,298	836,429,425	3,565,646,795	0.7800
2017	2,487,730,710	221,424,642	830,291,956	3,539,447,308	0.7800
2016	2,460,089,839	213,106,196	793,085,187	3,466,281,222	0.7300
2015	2,699,522,013	190,181,144	765,679,430	3,655,382,587	0.6800
2014	2,688,632,955	181,532,053	865,175,325	3,735,340,333	0.6800
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

Source: Halifax County Tax Department

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

	Year Taxes Are Payable									
	<u>2021</u>	<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>
County Direct Rates										
Halifax	0.7600	0.7600	0.7700	0.7700	0.7800	0.7800	0.7300	0.6800	0.6800	0.6800
Components of Direct Rates										
Public Safety	0.1406	0.1406	0.1425	0.1425	0.1438	0.1438	0.1346	0.1254	0.1254	-
Education	0.0224	0.0224	0.2256	0.2256	0.2289	0.2289	0.2142	0.1995	0.1995	-
Operational Services	0.3952	0.3952	0.4019	0.4019	0.4073	0.4073	0.3812	0.3551	0.3551	-
City Rates										
Roanoke Rapids	0.6610	0.6510	0.6510	0.6510	0.6510	0.6510	0.6510	0.6240	0.6240	0.6240
Enfield	0.9270	0.9270	0.9270	0.8380	0.8380	0.8380	0.8380	0.7500	0.7500	0.7500
Halifax	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.6000	0.5500	0.5500
Scotland Neck	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7850	0.7000	0.7000	0.6800
Hobgood	0.7200	0.7200	0.7200	0.7200	0.6500	0.6500	0.6500	0.5700	0.5700	0.5700
Littleton	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.7000	0.6500	0.6500
Weldon	0.7200	0.7200	0.7700	0.7700	0.7700	0.7700	0.7700	0.6600	0.6600	0.6600
School District										
Weldon	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.1818	0.1700	0.1700	0.1700
Roanoke Rapids	0.2150	0.2150	0.2250	0.2250	0.2250	0.2250	0.2250	0.2100	0.2100	0.2100
Halifax County Schools	0.1000	0.1000	0.1000	0.1000	0.1000	N/A	N/A	N/A	N/A	N/A
Fire Districts										
Rheasville	0.0663	0.0663	0.0705	0.0705	0.0705	0.0705	0.0705	0.0700	0.0700	0.0700
Davie	0.0905	0.0905	0.0945	0.0945	0.0945	0.0945	0.0945	0.0900	0.0900	0.0900
Darlington	0.0836	0.0836	0.0890	0.0890	0.0890	0.0890	0.0890	0.0900	0.0900	0.0900
Littleton	0.0515	0.0515	0.0534	0.0534	0.0534	0.0534	0.0534	0.0460	0.0460	0.0460
Arcola	0.0628	0.0628	0.0677	0.0677	0.0677	0.0677	0.0677	0.0700	0.0700	0.0700
Enfield	0.0846	0.0846	0.0890	0.0690	0.0690	0.0690	0.0690	0.0700	0.0700	0.0700
Halifax	0.0800	0.0716	0.0728	0.0728	0.0728	0.0728	0.0728	0.0726	0.0726	0.0726
Hobgood	0.0650	0.0650	0.0685	0.0685	0.0685	0.0685	0.0685	0.0719	0.0719	0.0719
Scotland Neck	0.0700	0.0655	0.0690	0.0690	0.0690	0.0690	0.0690	0.0700	0.0700	0.0700
Weldon	0.0900	0.0857	0.0894	0.0894	0.0894	0.0894	0.0894	0.0845	0.0845	0.0845
Tillery	0.0447	0.0447	0.0475	0.0475	0.0475	0.0475	0.0475	0.0500	0.0500	0.0500
Hospital District										
Our Community Hospital	N/A	N/A	N/A	N/A	0.1244	0.1244	0.1244	0.1200	0.1200	0.1200

Source: State Department of Revenue, Bureau of Property Tax

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

	2021				2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Taxpayer				Taxpayer			
Dominion-Virginia Power	\$180,810,776	1	27.72%	Dominion-Virginia Power	\$179,834,446	1	28.48%
Westrock Kraft Paper LLC	151,606,256	2	23.25%	Westmoreland LG&E Partners	132,792,508	2	21.03%
Klausner Lumber Two LLC	119,677,616	3	18.35%	Kapstone Kraft Paper Corporation	115,637,363	3	18.32%
Reser's Fine Foods Inc.	44,387,780	4	6.81%	CSX Transportation Inc.	47,019,274	4	7.45%
Carolina Chips	36,282,767	5	5.56%	Carolina Tel & Tel Company	40,219,356	5	6.37%
Kennametal Inc.	35,890,687	6	5.50%	Halifax EMC	37,274,720	6	5.90%
Roseburg Resources Co	25,389,400	7	3.89%	Reser's Fine Foods, Inc.	32,924,777	7	5.22%
CSX Transportation Inc.	24,203,592	8	3.71%	Kennametal Inc.	17,235,234	8	2.73%
Halifax EMC	19,976,100	9	3.06%	Safelite Glass Corp	14,944,424	9	2.37%
PVC Inc.	13,955,762	10	2.14%	Rae-Me North Carolina LLC	13,462,313	10	2.13%
Totals	<u>\$652,180,736</u>		<u>100.00%</u>		<u>\$631,344,415</u>		<u>100.00%</u>

Source: State Department of Revenue, Bureau of Property Tax

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

Fiscal Year	Taxes Levied			Collected within the			Collections in	Total Collections to Date	
	for the Fiscal Year		Total	Fiscal Year of the Levy		Subsequent Years		Amount	Percentage of Adjusted Levy
	(Original Levy)	Adjustments	Adjusted Levy	Amount	Percentage of Original Levy				
2021	\$	30,764,197	\$	144,753	\$	30,908,950	\$	30,381,910	98.29%
2020		28,921,642		270,957		29,192,599		28,516,648	97.68%
2019		28,512,186		(110,884)		28,401,302		27,873,778	98.14%
2018		27,844,345		(126,947)		27,717,398		27,173,640	98.04%
2017		28,106,071		(376,183)		27,729,888		27,171,621	97.99%
2016		25,417,962		(77,587)		25,340,375		24,322,725	95.98%
2015		24,883,851		3,457		24,887,308		24,746,489	99.43%
2014		25,453,912		(30,574)		25,423,338		25,276,701	99.42%
2013		24,605,980		(54,841)		24,551,139		24,406,398	99.41%
2012		24,462,488		(3,436)		24,459,052		24,338,214	99.51%

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			
2021	\$ 14,423,913	\$ -	\$ 14,423,913	1.4%	0.36%	296.65
2020	15,548,715	-	15,548,715	1.5%	0.38%	312.05
2019	16,698,520	-	16,698,520	1.6%	0.45%	330.18
2018	17,823,825	-	17,823,825	1.7%	0.50%	347.38
2017	18,033,808	-	18,033,808	1.8%	0.51%	348.37
2016	18,909,122	-	18,909,122	1.9%	0.55%	345.74
2015	19,755,928	-	19,755,928	2.0%	0.54%	364.22
2014	20,575,596	-	20,575,596	2.1%	0.55%	376.55
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

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, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ <u>22,065</u>	100%	\$ <u>22,065</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 the 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
	Financed Purchases	Notes Payable	Certificate of Participation	Qualified Zone Academy Bond	Qualified School Construction Bond	Manning Elementary School	General Obligation Bonds	Water Revenue Bonds	Notes Payable			
2021	\$ 84	\$ 116	\$ 5,939	\$ -	\$ 2,489	\$ 12,067	\$ 14,424	\$ 2,355	\$ 1,445	\$ 38,919	3.66%	\$ 822
2020	242	1,328	7,201	1,642	2,489	13,273	15,549	2,405	1,564	45,693	4.36%	917.01
2019	400	212	8,485	1,642	2,489	14,480	16,699	2,454	1,683	48,544	4.70%	959.86
2018	314	249	9,790	1,642	2,489	15,687	17,824	2,502	1,801	52,298	5.06%	1,019.26
2017	-	91	11,115	1,642	1,647	16,893	18,033	2,549	2,742	54,712	5.36%	1,056.91
2016	141	3,960	8,500	1,642	1,812	18,100	18,909	2,595	3,215	58,874	5.96%	1,076.48
2015	158	4,425	9,350	1,642	2,149	-	19,756	2,640	3,295	43,415	4.46%	800.40
2014	174	5,159	10,200	1,642	2,213	-	20,576	2,687	2,862	45,513	4.63%	832.92
2013	223	5,560	11,050	1,642	2,383	-	21,362	-	1,743	43,963	4.86%	814.04
2012	271	6,314	11,900	1,642	2,553	-	22,065	-	-	44,745	4.75%	818.15

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>2021</u>	<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>
Assessed Value of Property	\$4,035,403	\$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
Debt limit, 8%of Assessed Value (Statutory Limitation)	322,832	329,814	295,735	285,252	283,156	277,302	292,431	298,827	288,837	287,459
Amount of Debt Applicable to Limit	322,832	329,814	295,735	285,252	283,156	277,302	292,431	298,827	288,837	287,459
General Obligation Bonds	14,424	15,549	16,699	17,824	18,033	18,909	19,756	20,576	21,362	22,065
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-	-
Installment purchase contracts**	22,056	25,933	27,308	29,857	31,646	34,014	20,861	22,076	22,378	22,409
Financed purchases	84	242	400	314	-	141	158	175	223	272
Revenue Bonds	2,355	2,405	2,454	2,502	2,549	2,595	2,640	2,687	2,687	-
Total net debt applicable to limit	24,495	44,129	46,861	50,497	52,228	55,659	43,415	45,514	46,650	44,746
Legal debt margin	\$ 298,337	\$ 285,685	\$ 248,874	\$ 234,755	\$ 230,928	\$ 221,643	\$ 249,016	\$ 253,313	\$ 242,187	\$ 242,713
Total net debt applicable to the limit as a percentage of debt limit	7.59%	13.38%	15.85%	17.70%	18.44%	20.07%	14.85%	15.23%	16.15%	15.57%

**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
2021	48,622	\$ 1,062,293	\$ 21,848	6,106	9.2%
2020	49,828	1,047,185	21,016	6,205	9.1%
2019	50,574	1,032,013	20,406	6,150	6.6%
2018	51,310	1,033,075	20,134	6,545	6.5%
2017	51,766	1,020,256	19,709	6,314	7.4%
2016	54,691	987,227	18,051	6,479	8.1%
2015	54,242	972,938	17,937	7,214	9.4%
2014	54,643	981,989	17,971	7,396	9.8%
2013	54,006	905,033	16,758	7,396	13.4%
2012	54,691	941,943	17,223	7,742	13.2%

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	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant North Hospital (formerly HRMC)	878	1	16.28%	987	1	18.26%
County of Halifax	490	2	9.09%	535	3	9.90%
Westrock (Kapstone)	440	3	8.16%	485	4	8.97%
Roanoke Rapids City Schools	372	4	6.90%	389	5	7.20%
Reser's Fine Foods	347	5	6.44%	261	8	4.83%
Halifax County Schools	324	6	6.01%	700	2	12.95%
Don Pancho	302	7	5.60%			
Wal-mart, Inc.	287	8	5.32%	300	6	5.55%
PCB Piezotronics	286	9	5.30%	174	13	3.22%
AAA Carolinas	260	10	4.82%	298	7	5.51%
Rural Health Group (Halifax only)	222	11	4.12%			
City of Roanoke Rapids	154	12	2.86%	133	15	2.46%
New Dixie Oil	146	13	2.71%	244	10	4.51%
Weldon City Schools	141	14	2.61%	199	11	3.68%
AEL Span (located in former Safelite Bldg)	131	15	2.43%			
Meherrin River Forest Products (located in former Coastal Lumber Bldg)	121	16	2.24%			
Halifax Community College	120	17	2.23%	250	9	4.63%
Kennametal	112	18	2.08%	130	16	2.41%
Patch Rubber	106	19	1.97%	175	12	3.24%
Halifax Linen Service	102	20	1.89%	145	14	2.68%
JBB Packaging	51	21	0.95%			
Total	5,392		100.00%	5,405		100.00%

Source: State Department of Commerce.

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

	Full-time Equivalent Employees as of June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Function/Program										
Justice and law enforcement	92	99	94	108	105	106	98	95	91	91
Health and human services	302	323	319	310	255	253	253	248	262	263
Environment, parks, and education	1	3	2	3	3	7	7	7	7	7
Public works	36	24	25	22	19	24	24	24	17	17
General government	102	100	103	104	157	167	187	185	168	168
 Total	 533	 549	 543	 547	 539	 557	 569	 559	 545	 546

Source: County Budget Office.

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

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Sheriff										
Volume of calls	38,624	44,050	44,900	41,239	51,033	50,914	43,657	37,425	37,196	37,442
Incident reports filed	1,490	1,724	1,204	2,114	2,242	2,336	2,370	2,515	2,257	2,431
EMS										
Volume of calls	13,029	12,710	12,742	12,793	12,586	12,632	12,753	12,925	13,483	12,859
Response time (in minutes)	10.00	9.82	11.00	10.18	9.82	9.80	9.69	9.80	8.89	8.75
Transports	8,253	8,312	8,714	8,807	8,777	8,936	9,161	9,436	10,176	9,154
Water										
New connections	76	139	34	78	64	72	85	130	82	75
Water mains breaks	9	10	8	11	12	15	13	12	11	14
Average daily consumption (thousands of gallons)	2,555,330	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

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public safety										
Sheriff										
Stations	2	2	2	2	2	2	2	2	1	1
Patrol units	70	69	69	100	32	91	87	86	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	21	20
Water										
Water mains (miles)	618	618	618	618	618	618	618	614	568	568
Fire hydrants	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,820	1,622	1,622
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000
Sewer										
Sanitary sewers (miles)	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

Sources: Various county departments.

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

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, 2021, 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 20, 2021. 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*. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of July 1, 2020.

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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, and 2021-004, which we consider to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-004.

Halifax County, North Carolina's Responses to the Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Columbia, South Carolina
December 20, 2021

**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
Halifax, 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, 2021. 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, 2021.

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 20, 2021

**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
Halifax, 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, 2021. 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, 2021.

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 20, 2021

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments to Subrecipients All
			Federal	State	
FEDERAL AWARDS					
U.S. Department of Agriculture:					
Passed through North Carolina Department of Health and Human Services					
Special Supplemental Nutrition Program for Women, Infants, & Children (WIC)	10.557		\$ 376,221	\$ -	\$ -
Supplemental Nutrition Assistance Program:					
SNAP Administration	10.561		839,599	-	-
SNAP Fraud Administration	10.561		51,362	-	-
Supplemental Nutrition Assistance Program Cluster			890,961	-	-
Total U.S. Department of Agriculture			1,267,182	-	-
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	243,016	-	-
Total U.S. Department of Justice			243,016	-	-
U.S. Department of Homeland Security:					
Passed through NC Department of Public Safety					
Homeland Security Grant Program	97.067	EMW-2019-SS-00057	14,332	-	-
Homeland Security Grant Program	97.067	EMW-2020-SS-00023	35,000	-	-
Emergency Management Performance Grant Program	97.042	EMA-2020-EP-00009	52,073	-	-
Total U.S. Department of Homeland Security			101,405	-	-
U.S. Department of Transportation:					
Passed through NC Department of Transportation					
Highway Planning and Construction Cluster	20.205	48232.4.14	41,555	-	-
Total U.S. Department of Transportation			41,555	-	-
U.S. National Foundation on the Arts and the Humanities					
Passed through NC Department of Cultural Programs					
COVID-19- LSTA 2020-2021 COVID Response Grant	45.310	NC-20-65	3,481	-	-
Total U.S. National Foundation on the Arts and the Humanities			3,481	-	-
U.S. Department of Treasury:					
Passed through NC Pandemic Recovery Office					
COVID-19 - CARES Act Coronavirus Relief Funds	21.019		1,981,806	-	508,900
Total U.S. Department of Treasury			1,981,806	-	508,900
U.S. Department of Health and Human Services					
Passed through Upper Coastal Plains Council of Governments					
Aging Cluster:					
USDA Supplement	93.053		22,616	-	-
Access Services	93.044		61,330	14,876	-
Home-delivered Meals	93.045		93,958	97,643	-
In-home Services	93.044		63,231	229,694	-
Congregate Meals	93.045		11,915	19,236	-
Total Aging Cluster			253,050	361,449	-
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		49,465	-	-
TANF - Work First Service	93.558		310,398	-	-
Total Temporary Assistance for Needy Families Cluster			374,734	-	-
Foster Care Program:					
IV-E CPS	93.658		105,541	42,639	-
IV-E Foster Care Trn	93.658		12,110	-	-
IV-E Foster Care/Off Trn	93.658		202,689	-	-
IV-E Foster Care	93.568		315,958	-	-
Total Foster Care			636,298	42,639	-
Adoption Program:					
IV-E Adoption/Off Trn	93.659		30,322	-	-
Total Adoption			30,322	-	-
Medicaid:					
Adult Care Home Case Management	93.778		5,129	1,776	-
State County Special Assistance	93.778		81,249	-	-
Medical Assistance - Administration	93.778		2,297,538	-	-
Medical Transportation Administration	93.778		188,755	-	-
MAC	93.778		14,792	-	-
Total Medicaid Cluster			2,587,463	1,776	-

Continued

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments to Subrecipients
			Federal	State	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		24,712	-	-
Immunization Grants	93.268		38,955	-	-
Health Start Initiative	93.926		117,068	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		3,747	-	-
Maternal and Child Health Services Block Grant	93.994		207,565	138,129	-
Family Planning	93.217		65,798	-	-
Statewide Health Promotion Program	93.991		30,607	-	-
Passed through North Carolina Department of Health and Human Services					
Social Services Block Grant:					
Social Services Block Grant - Other Services and Training	93.667		519,866	-	-
Social Services Block Grant - In Home Services	93.667		4,727	-	-
Social Services Block Grant - In Home Services over 60	93.667		10,027	-	-
Social Services Block Grant - Adult Daycare	93.667		14,061	18,068	-
Social Services Block Grant - Adult Daycare over 60	93.667		2,573	-	-
Social Services Block Grant - Adult Protective Services	93.667		22,855	-	-
Social Services Block Grant - Child Protective Services Temporary	93.667		102,369	-	-
Total Social Services Block Grant			676,478	18,068	-
Family Preservation	93.556		9,459	-	-
Low Income Home Energy Assistance Program:					
Crisis Intervention Payments	93.568		604,099	-	-
Low Income Energy Administration	93.568		483,294	-	-
Low Income Energy Assistance	93.568		69,280	-	-
Total Low Income Home Energy Assistance Grant			1,156,673	-	-
Permanency Planning - Service & Admin	93.645		228	-	-
Independent Living Program:					
Chafee Foster Care Independence Program	93.674		10,297	2,574	-
Total Independent Living Grant			10,297	2,574	-
Child Support Enforcement Program:					
IV-D Administration	93.563		951,826	-	-
IV-D Offset Fees - Esc	93.563		13	1	-
IV-D Offset Fees - Federal	93.563		7,623	764	-
Total Child Support Enforcement Grant			959,462	765	-
Children's Health Insurance Program (CHIP):					
Children's Health Insurance Program	93.767		63,590	(686)	-
Total Children's Health Insurance Program (CHIP)			63,590	(686)	-
Child Care Mandatory and Matching Funds:					
Child Care and Development Fund - Administration	93.596		77,370	-	-
AFDC Payments and Penalties	93.560		(420)	(55)	-
Passed through North Carolina Department of Insurance					
SHIIP	93.324	90SAPG0027-03-01	5,956	-	-
SHIIP MIPPA Grant	93.071	1801NCMISH-02	3,615	-	-
Total U.S. Department of Health and Human Services			7,369,555	564,659	-
TOTAL FEDERAL AWARDS			11,008,000	564,659	508,900
Continued					

Continued

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Expenditures		Payments to Subrecipients
			Federal	State	All
STATE AWARDS					
Division of Public Health					
Food and Lodging Fees			\$ -	\$ 8,355	\$ -
General Aid to Counties			-	141,183	-
General Communicable Disease Control			-	2,293	-
Positive Parenting Program (Triple P)			-	169,429	-
Child Health			-	131,359	-
HIV/STD State			-	500	-
School Nurse Funding Initiative			-	250,000	-
Family Planning - State			-	66,175	-
Maternal Health			-	32,333	-
Women's Health Service Fund			-	10,241	-
TB Control			-	66,870	-
Total Division of Public Health			-	878,738	-
Division of Social Services					
State Child Welfare			-	181,149	-
DCD Smart Start			-	34,746	-
Energy Assistance Private Grants			-	3,731	-
COVID-19 - APS/CPS Care			-	35,400	-
Total Division of Public Health			-	255,026	-
Total North Carolina Department of Health and Human Services			-	1,133,764	-
North Carolina Department of Environmental and Natural Resources					
Division of Natural Resources:					
Economic and Physical Development State Grant			-	3,600	-
State Cost Share			-	21,380	-
Division of Waste Management:					
Scrap Tire Program		DEQ-8	-	3,232	-
Total North Carolina Department of Environmental and Natural Resources			-	28,212	-
North Carolina Department of Administration					
Elections One-Stop Site			-	14,220	-
Elections 2020 CARES Act Supplemental Funds			-	25,000	-
Total North Carolina Department of Administration			-	39,220	-
North Carolina Department of Cultural Resources					
State Aid to Public Libraries			-	97,371	-
Total North Carolina Department of Cultural Resources			-	97,371	-
North Carolina Department of Public Safety					
Emergency Management - Supplement Award			-	51,073	-
Total North Carolina Department of Public Safety			-	51,073	-
North Carolina Department of Corrections					
Criminal Justice			-	73,296	-
Total North Carolina Department of Corrections			-	73,296	-
North Carolina Department of Public Instruction					
Public School Building Capital Fund - Lottery Funds			-	395,433	395,433
Total North Carolina Department of Public Instruction			-	395,433	395,433
North Carolina Wildlife Resources Commission					
NC Schools GO Outside Grant			-	6,723	-
Total North Carolina Wildlife Resources Commission			-	6,723	-
TOTAL STATE AWARDS					
			-	1,825,092	395,433
TOTAL FEDERAL AND STATE AWARDS					
			\$ 11,008,000	\$ 2,389,751	\$ 904,333

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, 2021. 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,

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:

CFDA Number(s)
93.778
10.561
21.019

Name of Federal Program or Cluster
Medicaid Cluster
Supplemental Nutrition Assistance Program
Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

No

HALIFAX COUNTY, NORTH CAROLINA

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

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 _____

General Aid to Counties

Positive Parenting Program

School Nurse Funding Initiative

Public School Building Capital Fund – Lottery Proceeds

HALIFAX COUNTY, NORTH CAROLINA

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 Accounting for Long-term Debt

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

Condition: Misstatements were detected in the recognition and reporting of long-term liabilities in the governmental and business-type activities as of June 30, 2021.

Context/Cause: During our testing of the long-term liabilities, 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:

- When the County paid off the remainder of the industrial building installment note, they reversed the entry that was recorded for the note issuance. Audit adjustments were required to reverse the County's original entry for the repayment, and to correctly record the repayment of the note. These adjustments totaled \$1,994,423.
- Accrued interest was not recorded for the current year. Adjustments in the Water Fund and the Solid Waste Landfill Fund were required in the amounts of \$1,357 and \$1,537, respectively.
- The County issued 2021 refunding bonds in the Water Fund. The County's initial entry to record the refunding recorded the issuance cost as revenue and a regular payment on the refunded bond. An adjustment of \$400,737 was required to reverse this entry. An adjustment totaling \$6,308,737 was required to properly record the bond refunding by removing the refunded bonds and recording the new 2021 bonds.

Effects: Audit adjustments totaling \$8,706,791 were needed to correct the Water Fund and the Solid Waste Landfill Fund's long-term liabilities and related accounts for the year ended June 30, 2021.

Recommendation: We recommend the County carefully review long-term liability transactions 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 long-term debt is correctly accounted for.

HALIFAX COUNTY, NORTH CAROLINA

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-002 Revenue Recognition, Repeat

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

Condition: Material misstatements were detected in the reporting of the County's receivables and related revenues in the Solid Waste Landfill Fund.

Context/Cause: The Solid Waste Landfill Fund was reporting deferred inflows of resources for uncollected solid waste fees. While the fees are billed on the property tax bills, the fund should account for the revenue under the full accrual basis of accounting, under which revenue availability is not applicable. As such, an entry for \$26,615 was required to recognize the revenues, previously determined to be unavailable, as of June 30, 2021. The change increased the current year revenues by the same amount.

Effects: Audit adjustments of \$26,615 were needed to correctly report the revenues and related balance sheet accounts.

Recommendation: We recommend the County carefully review all receivables and the related revenues to ensure they are reported in the proper reporting period and 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 YEAR ENDED JUNE 30,

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-003 Equity Reconciliation

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

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

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

- The County did not post audit entries from the prior year in the Solid Waste Landfill Fund totaling \$2,671,937.
- The County is reporting capital additions as expenses of the funds as opposed to capitalizing an asset, under full accrual accounting. Adjustments were required to reduce the related Investment in Capital Assets from the expenses recorded and increase the assets of the Water Fund by \$4,094 as of June 30, 2021.

Effects: Audit adjustments of \$2,675,491 were needed to correct the County's net position of the Solid Waste Landfill Fund and the Water Fund.

Recommendation: We recommend the County ensure all audit adjustments are made following the financial statement audit as well as to review their capital asset additions for correct posting.

Auditee's Response: We concur with the finding and are currently implementing controls to ensure equity is correctly accounted for.

HALIFAX COUNTY, NORTH CAROLINA

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-004 Legally Adopted Budget

Criteria: The County implemented Governmental Accounting Standards Board (GASB) 84, *Fiduciary Activities*, in the current year. Per guidance from the Local Government Commission of the North Carolina Department of State Treasurer, the Representative Payee Fund should be budgeted and accounted for as a special revenue fund after the implementation of GASB 84.

Condition: The County did not adopt a budget for the Representative Payee Fund as per the Local Government Commission Memorandum #2021-04.

Context/Cause: During our testing, we noted that the County did not adopt an original budget or amend their budget mid-year for the Representative Payee Fund.

Effects: The County was not in compliance with the guidance set by the Local Government Commission as of June 30, 2021.

Recommendation: We recommend the County ensure all special revenue funds are budgeted for during the normal budget process.

Auditee's Response: We concur with the finding and will ensure that this fund has an adopted budget in the next fiscal year.

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

SECTION III
FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

HALIFAX COUNTY, NORTH CAROLINA

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

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.

Current Status: See finding 2021-002.



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 YEAR ENDED JUNE 30, 2021

2021-001 Accounting for Long-Term Debt

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, 2022

2021-002 Revenue Recognition, Repeat

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, 2022

2021-003 Equity Reconciliation

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, 2022

2021-004 Legally Adopted Budget

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, 2022