

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017



*Prepared by the  
Caswell County Finance Department*

*Gwendolyn Vaughn, Finance Director*

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*County of Caswell County  
144 Court Square Post Office Box 98 Yanceyville, North Carolina 27379  
336/694-4193*

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# INTRODUCTORY SECTION



## **CASWELL COUNTY**

144 Court Square, Yanceyville, NC 27379

[www.caswellcountync.gov](http://www.caswellcountync.gov)

336/694-4193

December 29, 2017

To the Board of County Commissioners and  
The Citizens of Caswell County, North Carolina

It is my pleasure to submit the Comprehensive Annual Financial Report for Caswell County, North Carolina for the fiscal year ended June 30, 2017. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect County assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Thompson, Price, Scott, Adams and Co. P.A., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available in the Single Audit section of this report.

GAAP requirements specify that management provide a narrative, introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Some information traditionally reported in the letter of transmittal is now included in the MD&A as required. The County's MD&A can be found immediately following the report of the independent auditors.

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## **LETTER OF TRANSMITTAL**

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### **The County**

Caswell County, founded in 1777, is located in the north central Piedmont region of North Carolina, along the Virginia border. Approximately 23,719 people live in the small towns and communities of Caswell. The Town of Yanceyville, incorporated in 1986, is the County seat and largest municipality, with a population of approximately 2,019. The Town of Milton, which celebrated its bicentennial in 1996 as one of the oldest incorporated towns in the nation, has a current population of approximately 161. The balance of the County residents resides in unincorporated communities.

Caswell County takes great pride in its agricultural heritage and rich historical traditions. The County is renowned as the birthplace of “Bright Leaf” tobacco and has one of the finest antebellum courthouses in the southeast. The Thomas Day House, home of the renowned 19<sup>th</sup> century cabinet and furniture maker is located in Milton. Caswell County also has one of the finest civic centers of any rural county in the state, and features an annual performing arts series with national touring performances of Broadway shows, musicals, and plays.

### **Governmental Structure**

Caswell County has a Commissioner/Manager form of government. The seven members of the Board of Commissioners are elected to staggered four-year terms. Five of the seven are elected by district, and the remaining two are elected by the population at large. The Board of Commissioners holds policy-making and legislative authority.

The County provides a full range of services including public safety, social services, health services, emergency medical services, cultural and recreational activities, general administration, and others. In addition to these general government functions, the County also provides solid waste management services and transportation support. The Board of Commissioners also extends financial support to certain agencies and groups who are involved in serving our citizens. Among them are the Caswell County Board of Education, Piedmont Community College, volunteer fire departments, the Piedmont Triad Partnership (a regional economic development organization), the Piedmont Triad Council of Governments, and Caswell Parish.

### **Economic Conditions and Outlook**

During the past year Caswell County has realized no major economic change. Statistical data from the North Carolina Rural Economic Development Center supports a slight reduction in overall population.

The most recent data indicated median household income at \$38,318 compared to the state at \$46,868 according to US Census Bureau.

Employment categories include government, education, health care and social assistance, private industry, construction and retail trade. State and local government has the largest number of employees collectively, totaling over 900 workers. Other major employers employ about 500 workers. A variety of food service chains, local restaurants and private employers generally employ between 75-100 workers. The most significant impact of the lack of industry in the County is that a large percentage of the County’s workforce is forced to commute outside of the County to work.

The County’s unemployment rate for June 2017 was 4.5%, while reported at 5.7% for June 2016 according to the US Department of Labor Bureau of Labor Statistics.

The County’s tax base is the primary source of local revenue along with the state sales and use tax distributions.

### **Management Policies**

The County continues to monitor resources and target program efficiency and cost control efforts, allowing the County to maintain a strong financial position and make progress toward improvements. It is believed that changes in the economic environment in the area and the diligent management of the County costs and services will provide ongoing financial stability and fiscal capacity. Management continues working with departments to maximize cost to continue services to citizens of Caswell. Fund Balance is a top priority to ensure adequate reserves to fund projects, capital needs and keep the tax rate at a necessary funding level.

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## LETTER OF TRANSMITTAL

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### Major initiatives

Economic development continues to be a key focus over the next several years. The County plans to partner with Piedmont Community College to employ an Economic Developer and Small Business Center Director. This effort is expected to assist in initiatives to expand the County's Industrial Park along the US Highway 29 corridor and developing the existing acreage in the Caswell Industrial Park. Concurrent with that focus is on the development of small commercial businesses within the County.

As the Caswell County Board of Commissioners implements the Comprehensive Plan, opportunity for community development, growth strategies, goals and policies are expected to help stimulate the economy of the County.

Like many North Carolina counties, Caswell continues to be faced with budgetary restraints. Property tax collections remain a high priority with a stable collection rate above 98%. Sales & Use tax revenues show a minor increase while sales & services and permits and fees remain moderate.

### Short and Long Term Financial Planning

Caswell County has developed a Comprehensive Plan that will be used as a guide for making strategic decisions for orderly growth and economic development.

The fiscal year 2017-2018 budget was adopted with an overall tax rate of \$0.7459. Some major features of the 2017-2018 budget include:

- Personnel: budget approved the cost of the Countywide Pay and Class Plan (excluding Public Safety).
- Capital Project: the County is making progress on the Public Library Expansion Project scheduled to begin construction early 2018.
- Transfer to Other Fund(s): the second year of an allocation of funds to support the volunteer fire departments in the amount of \$542,319. A Special Fire Service District has approved by Resolution.

### Awards and Accomplishments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Caswell County for its comprehensive annual financial report for the fiscal year ended June 30, 2016. The County also received this award for the fiscal years ended June 30, 1997 through 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In summary, this Comprehensive Annual Financial Report provides a source of information to citizens, the Board of Commissioners, other governmental agencies, investors and creditors, all of who rely upon it for decision making and the opportunity to learn more about Caswell County's financial condition.

Sincere appreciation is expressed to the Finance Department staff and Thompson, Price, Scott, Adams and Co. P.A., in the preparation of this report. We also express our gratitude to the Board of Commissioners for their continued support and guidance throughout the past fiscal year.

Respectfully submitted,

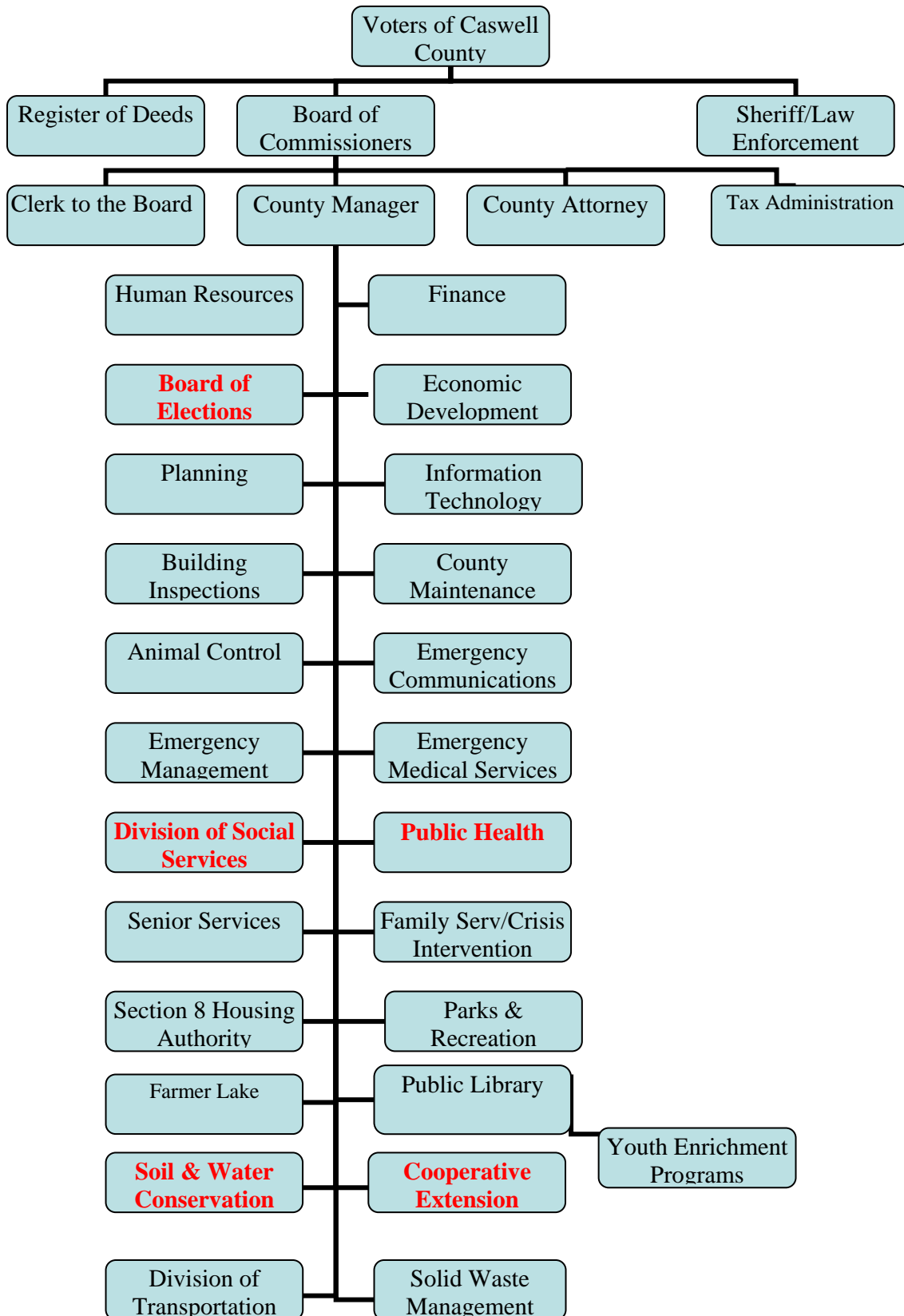
*Bryan S. Miller*

Bryan S. Miller  
County Manager

*Gwendolyn Y. Vaughn*

Gwendolyn Y. Vaughn  
Finance Director

# CASWELL COUNTY ORGANIZATION CHART FY 2016-2017



Departments listed in **RED BOLD** have their own statutory boards.

**CASWELL COUNTY, NORTH CAROLINA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**List of Principal Officers  
June 30, 2017**

**County Commissioners**

Kenneth D. Travis, Chairman  
David Owen, Vice Chairman  
Sterling Carter  
William E. Carter  
Nathaniel Hall  
Jeremiah Jefferies  
Rick McVey

**County Officials**

Bryan S. Miller .....County Manager  
Dr. Sandra Carter .....Superintendent of Schools  
John I. Satterfield ..... Clerk of Court  
Gwendolyn Y. Vaughn ..... Finance Director  
Ginny S. Mitchell ..... Register of Deeds  
Thomas C. Bernard ..... Tax Director  
Tony Durden ..... Sheriff  
Brian M. Ferrell ..... County Attorney



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Caswell County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**



***Thompson, Price, Scott, Adams & Co, P.A.***

**P.O Box 398**

**1626 S. Madison Street**

**Whiteville, NC 28472**

**Telephone (910) 642-2109**

**Fax (910) 642-5958**

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**Alan W. Thompson, CPA**

**R. Bryon Scott, CPA**

**Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Caswell County  
Whiteville, 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 the Caswell County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Caswell County 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements bases on our audit. We did not audit the financial statements of Caswell County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial 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 Caswell 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 Caswell County ABC Board were not audited in accordance with *Governmental 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 auditors' 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.

**Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**

## ***Opinions***

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Caswell County, North Carolina as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Special Fire District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 10 through 18 and 66 through 72, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Caswell County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017 on our consideration of Caswell County 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caswell County's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

December 29, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Caswell County, we offer readers of Caswell County's financial statements this narrative overview and analysis of the financial activities of Caswell County for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

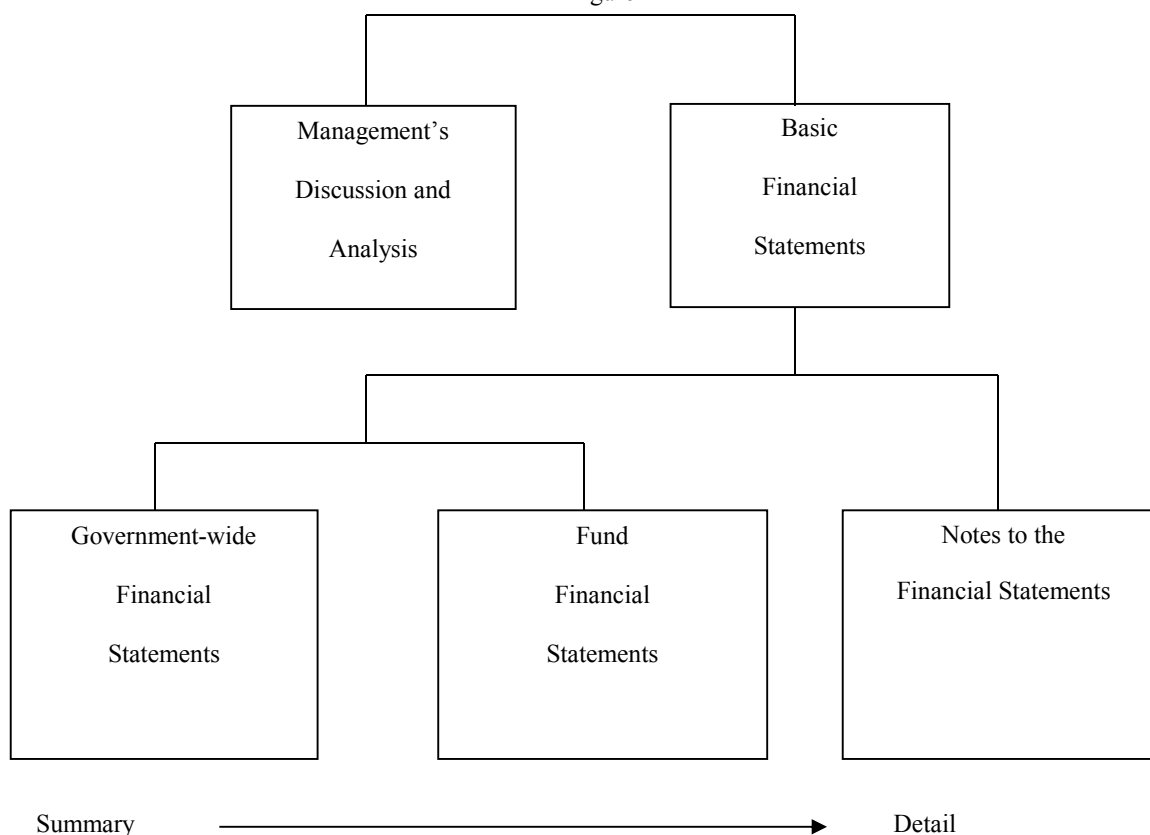
- The assets and deferred outflows of resources of Caswell County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$19,294,607 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,508,490 (net position).
- The total assets and deferred outflows of resources of Caswell County's business-type activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,786,117 (net position).
- The government's total net position decreased by \$1,725,971. This decline was a result of a decrease of \$1,648,398 in governmental activities and a decrease of \$77,573 in business-type activities.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$6,743,405; a decrease of \$2,538,086 in comparison to the prior year. Approximately 52.61 percent of this total amount or, \$3,547,798, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,584,750 or 12.99 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt decreased by \$1,110,110 or 11.42 percent during the current fiscal year.
- The County's tax rate for the current fiscal year is 0.6790 cents per \$100 valuation.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Caswell County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Caswell County.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the enterprise fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements. Following the non-major governmental funds are the Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. After the Enterprise funds are the Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals and local governments. Following the Agency funds are other schedules. These schedules contain additional information required on property taxes.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, parks and recreation, education, and general administration. Property taxes, sales taxes, and state and federal grant funds finance the majority of these activities. The business-type activities are those that the County charges customers to provide. This includes the solid waste services and transportation offered by Caswell County. The final category is the component units. The Caswell County ABC Board is a discretely presented component unit. The members of the governing body are appointed by the County. The ABC Board is required by state statute to distribute its surpluses to the general fund of the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Caswell County, like other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Caswell County can be divided into three categories: governmental funds, enterprise funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. The relationship between government 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.

Caswell 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 about which services to provide and how to fund 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 budgetary 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 resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences is reported activities is shown at the end of the budgetary status.

**Proprietary Funds** – Caswell County has one kind of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Caswell County uses an enterprise funds to account for its solid waste management and transportation operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Caswell County has four fiduciary funds and three agency funds.

**Notes to the 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 start on page 31 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Caswell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 66 - 72 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$19,294,607 as of June 30, 2017. The County's net position decreased by \$1,725,971 for the fiscal year ended June 30, 2017. One of the largest portions, \$15,096,208 (78.24%) reflects the County's net investment in capital assets. Caswell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Caswell County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Caswell County's net position \$1,849,355 (9.58%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,349,044 (12.17%) is unrestricted.

**Caswell County's Net Position  
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 7,913,418	\$ 10,622,012	\$ 1,413,204	\$ 1,411,119	\$ 9,326,622	\$ 12,033,131
Capital assets	22,248,192	22,045,941	624,618	699,530	22,872,810	22,745,471
Total assets	30,161,610	32,667,953	2,037,822	2,110,649	32,199,432	34,778,602
Total deferred outflows of resources	2,478,192	575,123	65,753	14,829	2,543,945	589,952
Long-term liabilities outstanding	12,789,626	11,224,585	253,303	196,822	13,042,929	11,421,407
Other liabilities	2,154,365	2,151,722	60,797	55,926	2,215,161	2,207,648
Total liabilities	14,943,991	13,376,307	314,099	252,748	15,258,090	13,629,055
Total deferred inflows of resources	187,321	402,765	3,359	9,040	190,680	411,805
Net position:						
Net investment in capital assets	14,471,590	13,399,966	624,618	699,530	15,096,208	14,099,496
Restricted	1,849,355	2,734,957	-	-	1,849,355	2,734,957
Unrestricted	1,187,545	3,329,081	1,161,499	1,164,160	2,349,044	4,493,241
Total net position	\$ 17,508,490	\$ 19,464,004	\$ 1,786,117	\$ 1,863,690	\$ 19,294,607	\$ 21,327,694

Caswell County, along with many other counties in North Carolina, funds school facilities that become assets of the school district and community college facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General Obligation Bonds have been issued by the County to fund the majority of the costs of these assets. The County's liabilities at June 30, 2017 include outstanding general obligation debt of \$852,079 related to funding these non-county assets. This represents 100% of the County's outstanding General obligation debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's net position and presents a less favorable picture as compared to governments that do not extensively fund the capital of other government entities.

Several particular aspects of the County's financial operations contributed to the decrease in the total unrestricted governmental net position:

- A pay study was performed and resulted in an additional \$288,000 in salary expenditures
- Increase in county allocations for Volunteer Fire Departments and to the Schools
- Replacement of HVAC at the Courthouse, E911 established a backup PSAP system, and purchased Sheriff vehicles
- EMS increased staffing

**Caswell County's Changes in Net Position**

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 2,915,018	\$ 2,673,421	\$ 1,224,855	\$ 1,380,454	\$ 4,139,873	\$ 4,053,875
Operating grants and contributions	5,993,590	6,575,850	-	-	5,993,590	6,575,850
Capital grants and contributions	382,263	103,662	-	-	382,263	103,662
General revenues:						
Property taxes	11,535,534	10,827,712	-	-	11,535,534	10,827,712
Sales taxes	4,258,419	3,031,607	-	-	4,258,419	3,031,607
Other taxes	-	-	57,785	55,359	57,785	55,359
Other	102,196	(79,646)	2,532	(1,767)	104,728	(81,413)
Total revenues	25,187,020	23,132,606	1,285,172	1,434,046	26,472,192	24,566,652
Expenses:						
General government	2,910,099	3,062,487	-	-	2,910,099	3,062,487
Public safety	8,598,810	7,153,742	-	-	8,598,810	7,153,742
Environmental protection	106,459	92,390	-	-	106,459	92,390
Economic and physical development	560,353	489,906	-	-	560,353	489,906
Human services	9,395,883	8,552,167	-	-	9,395,883	8,552,167
Cultural and recreation	795,874	695,974	-	-	795,874	695,974
Education	4,174,503	3,368,855	-	-	4,174,503	3,368,855
Interest on long-term debt	293,437	314,513	-	-	293,437	314,513
Solid waste	-	-	887,158	851,066	887,158	851,066
Transportation	-	-	475,587	455,083	475,587	455,083
Total expenses	26,835,418	23,730,034	1,362,745	1,306,149	28,198,163	25,036,183
Increase in net position before transfers and special items	(1,648,398)	(597,428)	(77,573)	127,897	(1,725,971)	(469,531)
Transfers and special items	-	-	-	-	-	-
Increase in net position after transfers and special items	(1,648,398)	(597,428)	(77,573)	127,897	(1,725,971)	(469,531)
Net position, beginning	19,464,004	20,053,860	1,863,690	1,735,793	21,327,694	21,789,653
Net position, beginning, restated	19,156,888	20,061,432	1,863,690	1,735,793	21,020,578	21,797,225
Net position, ending	\$ 17,508,490	\$ 19,464,004	\$ 1,786,117	\$ 1,863,690	\$ 19,294,607	\$ 21,327,694

**Governmental activities.** Governmental activities decreased the County's net position by \$1,648,398, which accounts for 95.51% of the total decline. Key elements of this decrease is primarily due to increased expenditures in public safety, human services, and education.

**Business-type activities.** Business-type activities decreased Caswell County's net position by \$77,573, which accounts for 4.49% of the total decline. Key elements of this decrease is primarily due to a decline in charges for services.

## Financial Analysis of the County's Funds

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

**Governmental Funds.** The focus of Caswell County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Caswell 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 Caswell County. At the end of the current fiscal year, Caswell County's fund balance available in the General Fund was \$4,920,342, while total fund balance reached \$6,467,985. The Governing Body of Caswell County has determined that the county should maintain an available fund balance of 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The county currently has an available fund balance of 17.83%, while total fund balance represents 23.44% of that same amount. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.99% of total General Fund expenditures, while total fund balance represents 23.44% of the same amount of expenditures. Fund balance for the General Fund decreased \$1,495,822 from the prior year. Expenditures (including transfers) increased from the previous year by \$3,102,865. Several factors contributing to the increase includes an increase in capital spending and allocations to the school, as well the results of the pay study that resulted in an increase in salaries.

Revenues increased \$1,417,148 primarily due to an increase in ad valorem taxes and local option sales tax.

At June 30, 2017, the governmental funds of Caswell County reported a combined fund balance of \$6,743,405, a 27.35% percent decrease from the previous year. The primary reason for this decrease was a result of the County receiving funding for the Courthouse HVAC project in the previous year, but the funds were spent in the current year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of 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 that become necessary to maintain services. Total amendments to the General Fund increased the total budget by 2.02% or \$557,650. The largest change involving human services due to increased restricted intergovernmental revenues from State appropriations.

**Proprietary Funds.** Caswell County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Management and Transportation Funds at the end of the fiscal year totaled \$1,161,499. The total net position for the funds decreased \$77,573. Other factors concerning the finances of these two funds have already been addressed in the discussion of Caswell County's Business- Type activities.

## Capital Asset and Debt Administration

**Capital Assets.** Caswell County's capital assets for its governmental and business-type activities as of June 30, 2017, totals \$22,872,810 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include purchases of vehicles, mainly for public safety function and general government equipment, computer equipment, EMS center upgrades, as well as an HVAC renovation project for the Courthouse.

### Caswell County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
Construction in Progress	1,157,120	78,403	-	-	1,157,120	78,403
Buildings	14,323,327	15,003,243	10,577	11,231	14,333,904	15,014,474
Improvements	944,351	906,842	212,285	219,821	1,156,636	1,126,663
Equipment	842,602	1,065,867	69,693	98,094	912,295	1,163,961
Vehicles	1,247,569	1,150,323	294,563	332,884	1,542,132	1,483,207
Audiovisuals	5,565	5,565	-	-	5,565	5,565
Other Assets	2,802,130	2,909,859	-	-	2,802,130	2,909,859
Infrastructure	9,658	9,969	-	-	9,658	9,969
Total	<u>\$ 22,248,192</u>	<u>\$ 22,045,941</u>	<u>\$ 624,618</u>	<u>\$ 699,530</u>	<u>\$ 22,872,810</u>	<u>\$ 22,745,471</u>

Additional information on the County's capital assets can be found in notes to the Financial Statements.

**Long-term Debt.** As of June 30, 2017, Caswell County had total bonded debt outstanding of \$8,614,714 , the majority of which is backed by the full faith and credit of the County.

### Caswell County's Outstanding Debt Figure 5

	Governmental Activities	
	2017	2016
Bonds	\$ 7,078,000	\$ 7,959,000
Plus: Premiums on Issuance	7,079	8,849
Total Bonds	<u>7,085,079</u>	<u>7,967,849</u>
Installment Purchases	1,458,030	1,616,163
Capital Leases	<u>71,605</u>	<u>140,812</u>
Total	<u>\$ 8,614,714</u>	<u>\$ 9,724,824</u>

Caswell County's total debt decreased by \$1,110,110 (11.42 percent) during the past fiscal year, primarily due to the issuance of an additional installment purchase agreement, offset by the repayment of debt obligations.

Caswell County's bond ratings remain stable with North Carolina Municipal Council at '79', Standard and Poor's Rating Services at 'A+' and Moody's Investors' Service at 'A1'.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Caswell County is \$121,364,632. The County's current general obligation debt represents approximately 0.44% of total assessed value of taxable property.

Additional information regarding Caswell County's long-term debt can be found in the notes to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the economic situation for Caswell County.

- The County maintained prior year's ad valorem tax rate. Growth in the tax base of the County is expected to continue at a moderate rate, yielding increases in property tax revenues, primarily due to the 2017 property tax revaluation.
- The Board of Commissioners continues to research prospects for additional revenue sources including a 0.25% local sales and use tax levy for the taxpayers vote.

### **Budget Highlights for Fiscal Year Ending June 30, 2018**

#### **Government Activities**

Property taxes and sales and use taxes distributions are expected to be the primary sources of increase in revenues. The increase in the property tax rate for the County will help raise revenue for the General Fund. Furthermore, the County will use the increases in revenues to finance programs currently in place, including additional funding for education. The statewide sales and use tax expansion will provide additional revenue to the County for additional allocations for education and economic development. The County Law Enforcement Center is expected to continue to generate revenue and employment in the upcoming fiscal year due to the ability to house state and federal inmates. In addition to these projects, additional revenue is expected with new small business operations contributing to new growth in the County. The County is continuing to make infrastructure improvements to the Pelham Industrial Park with the completion of the water tank in 2013.

#### **Business Type Activities**

Rates for Solid Waste is expected to be reduces for a small savings to County residents. The Solid Waste Fund will have added expenditures for equipment and vehicle upgrades, as well as Convenience Center improvements. Transportation rates and services are expected to remain the same. Revenues are expected to continue to grow at a slow pace for the business-type activities.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

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# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**Caswell County, North Carolina**  
**Statement of Net Position**  
**June 30, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
<b>ASSETS</b>				
Cash and cash investments	\$ 5,075,271	\$ 1,291,188	\$ 6,366,459	\$ 274,692
Restricted cash and cash equivalents	749,618	-	749,618	-
Taxes receivable (net)	400,910	72,654	473,564	-
Accrued interest receivable on taxes	55,912	-	55,912	-
Accounts receivables (net)	1,599,266	49,362	1,648,628	-
Internal Balances	-	-	-	-
Prepaid items	-	-	-	11,523
Inventories	-	-	-	155,347
Net Pension Asset	32,441	-	32,441	-
Capital assets:				
Land, improvements, and construction in progress	2,072,990	37,500	2,110,490	6,000
Other capital assets, net of depreciation	20,175,202	587,118	20,762,320	165,031
Total capital assets	22,248,192	624,618	22,872,810	171,031
Total assets	\$ 30,161,610	\$ 2,037,822	\$ 32,199,432	\$ 612,592
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 2,478,192	\$ 65,753	\$ 2,543,945	\$ 32,027
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 632,792	\$ 54,955	\$ 687,747	\$ 60,921
Accrued interest payable	107,940	-	107,940	-
Long-term liabilities:				
Due within one year				
Bonds	882,770	-	882,770	-
Capital leases	69,207	-	69,207	-
Installment obligations	290,391	-	290,391	-
Compensated absences	171,265	5,842	177,106	-
Due in more than one year				
Bonds	6,202,309	-	6,202,309	-
Capital leases	2,398	-	2,398	-
Installment obligations	1,167,639	-	1,167,639	-
Compensated absences	513,794	17,525	531,319	-
Accrued postclosure liability	-	77,625	77,625	-
Net Pension Liability (LGRS)	2,753,749	74,262	2,828,011	35,442
Total Pension Liability (LEOSSA)	707,495	-	707,495	-
Other postemployment benefits	1,442,242	83,891	1,526,133	-
Total long-term liabilities	14,203,259	259,144	14,462,403	35,442
Total liabilities	\$ 14,943,991	\$ 314,099	\$ 15,258,090	\$ 96,363
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 187,321	\$ 3,359	\$ 190,680	\$ 1,242
<b>NET POSITION</b>				
Net investment in capital assets	\$ 14,471,590	\$ 624,618	\$ 15,096,208	\$ 171,031
Restricted for:				
Register of deeds	49,102	-	49,102	-
Stabilization by state statute	1,600,633	-	1,600,633	-
General Government	160,118	-	160,118	-
Public Safety	45,881	-	45,881	-
Economic Development	39,502	-	39,502	-
Human Services	-	-	-	-
Cultural and Recreational	13,881	-	13,881	-
Education	724,650	-	724,650	-
Working Capital	-	-	-	64,764
Unrestricted (deficit)	403,133	1,161,499	1,564,632	311,219
Total net position	\$ 17,508,490	\$ 1,786,117	\$ 19,294,607	\$ 547,014

**Caswell County, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Caswell County ABC Board	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental Activities:								
General government	\$ 2,910,099	\$ 331,023	\$ -	\$ -	\$ (2,579,076)	\$ -	\$ (2,579,076)	
Public safety	8,598,810	1,149,681	868,985	-	(6,580,144)	-	(6,580,144)	
Transportation	-	-	123,592	-	123,592	-	123,592	
Environmental protection	106,459	-	24,658	-	(81,801)	-	(81,801)	
Economic and physical development	560,353	26,000	61,815	-	(472,538)	-	(472,538)	
Human services	9,395,883	1,333,946	4,798,082	-	(3,263,855)	-	(3,263,855)	
Cultural and recreation	795,874	74,368	116,458	-	(605,048)	-	(605,048)	
Education	4,174,503	-	-	382,263	(3,792,240)	-	(3,792,240)	
Interest on long-term debt	293,437	-	-	-	(293,437)	-	(293,437)	
Total governmental activities	26,835,418	2,915,018	5,993,590	382,263	(17,544,547)	-	(17,544,547)	
Business-type activities:								
Solid Waste	887,158	692,570	-	-	-	(194,588)	(194,588)	
Caswell division of transportation	475,587	532,285	-	-	-	56,698	56,698	
Total business-type activities	1,362,745	1,224,855	-	-	-	(137,890)	(137,890)	
Total primary government	\$ 28,198,163	\$ 4,139,873	\$ 5,993,590	\$ 382,263	(17,544,547)	(137,890)	(17,682,437)	
Component Units:								
Caswell County ABC Board	\$ 2,196,984	\$ 2,178,380	\$ -	\$ -				\$ (18,604)
Total component units	\$ 2,196,984	\$ 2,178,380	\$ -	\$ -				\$ (18,604)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					11,535,534	-	11,535,534	-
Local option sales tax					3,824,493	-	3,824,493	-
Other taxes and licenses					433,926	57,785	491,711	-
Investment earnings, unrestricted					30,141	649	30,790	88
Miscellaneous, unrestricted					72,055	1,883	73,938	200
Transfers					-	-	-	-
Total general revenues, special items, and transfers					15,896,149	60,317	15,956,466	288
Change in net position					(1,648,398)	(77,573)	(1,725,971)	(18,316)
Net position-beginning					19,464,004	1,863,690	21,327,694	565,330
Restatement					(307,116)	-	(307,116)	-
Net position-beginning, restated					19,156,888	1,863,690	21,020,578	565,330
Net position-ending					\$ 17,508,490	\$ 1,786,117	\$ 19,294,607	\$ 547,014

# **FUND FINANCIAL STATEMENTS**

**Caswell County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<b>Major Governmental</b>		<b>Non-Major Governmental Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Special Fire District Fund</b>	<b>Other Governmental Funds</b>	<b>Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,739,048	\$ 61,404	\$ 274,819	\$ 5,075,271
Cash and cash equivalents-Restricted	735,651	-	13,967	749,618
Taxes Receivable	302,717	98,193	-	400,910
Accounts Receivable	1,546,276	31,774	21,216	1,599,266
Due from other funds	1,367	-	-	1,367
Total assets	<u>\$ 7,325,059</u>	<u>\$ 191,371</u>	<u>\$ 310,002</u>	<u>\$ 7,826,432</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 506,399	\$ 96,989	\$ 29,404	\$ 632,792
Due to other funds	-	-	1,367	1,367
Total liabilities	<u>506,399</u>	<u>96,989</u>	<u>30,771</u>	<u>634,159</u>
Deferred inflows of resources				
Prepaid taxes	47,958	-	-	47,958
Reserve for taxes receivable	302,717	98,193	-	400,910
Total deferred inflows of resources	<u>350,675</u>	<u>98,193</u>	<u>-</u>	<u>448,868</u>
Fund balances:				
Restricted:				
Stabilization by State statue	1,547,643	31,774	21,216	1,600,633
Register of Deeds	49,102	-	-	49,102
Education	724,650	-	-	724,650
General Government	-	-	160,118	160,118
Public Safety	-	-	45,881	45,881
Economic Development	-	-	39,502	39,502
Cultural and Recreational	-	-	13,881	13,881
Committed:				
Tax Revaluation	97,715	-	-	97,715
LEO Separation	33,785	-	-	33,785
Assigned:				
Subsequent year's expenditures	430,340	-	-	430,340
Unassigned:	3,584,750	(35,585)	(1,367)	3,547,798
Total fund balances	<u>6,467,985</u>	<u>(3,811)</u>	<u>279,231</u>	<u>6,743,405</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,325,059</u>	<u>\$ 191,371</u>	<u>\$ 310,002</u>	<u>\$ 7,826,432</u>

**Caswell County, North Carolina**  
**Reconciliation of the Governmental Funds Balance Sheet To**  
**The State of Net Position**  
**Governmental Fund**  
**June 30, 2017**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance - Governmental Funds	\$ 6,743,405
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	37,579,624
Less accumulated depreciation	(15,331,432)
Net capital assets	22,248,192
Net Pension Asset (Register of Deeds)	32,441
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	654,996
Register of Deeds	3,225
LEOSSA	11,859
Pension related deferrals	
LGERS	1,783,213
Register of Deeds	8,823
LEOSSA	-
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	55,912
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	16,076
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	400,910
Pension related deferrals	
LGERS	(124,530)
Register of Deeds	(1,491)
LEOSSA	(13,342)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(8,614,714)
Compensated absences	(685,059)
Other postemployment benefits	(1,442,242)
Net pension liability - LGERS	(2,753,749)
Total Pension Liability (LEOSSA)	(707,495)
Accrued interest payable	(107,940)
Total adjustment	10,765,085
Net position of governmental activities	\$ 17,508,490

**Caswell County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	<b>Major Governmental</b>		<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Special Fire District Fund</b>	<b>Other Governmental Funds</b>	
<b>REVENUES</b>				
Ad valorem taxes	\$ 11,303,518	\$ 365,545	\$ -	\$ 11,669,063
Other taxes and licenses	3,336,680	5,313	-	3,341,993
Restricted intergovernmental	6,682,324	-	640,952	7,323,276
Unrestricted intergovernmental	182,601	-	-	182,601
Permits and fees	639,299	-	-	639,299
Sales and services	2,062,120	-	-	2,062,120
Investment earnings	29,658	-	483	30,141
Miscellaneous	72,056	-	-	72,056
Total revenues	<u>24,308,256</u>	<u>370,858</u>	<u>641,435</u>	<u>25,320,549</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,901,878	-	-	2,901,878
Public safety	6,681,128	949,324	360,663	7,991,115
Cultural and recreational	654,447	-	9,168	663,615
Environmental protection	101,882	-	-	101,882
Economic and physical development	499,546	-	(9,590)	489,956
Human Services	9,215,018	-	-	9,215,018
Capital Outlay	-	-	892,630	892,630
Intergovernmental:				
Education	3,792,240	-	382,263	4,174,503
Debt service:				
Principal	1,268,545	-	-	1,268,545
Interest	319,698	-	-	319,698
Debt issuance cost	-	-	-	-
Total expenditures	<u>25,434,382</u>	<u>949,324</u>	<u>1,635,134</u>	<u>28,018,840</u>
Revenues over expenditures	<u>(1,126,126)</u>	<u>(578,466)</u>	<u>(993,699)</u>	<u>(2,698,291)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,633,213	-	28,642	1,661,855
Transfers (out)	(2,163,114)	574,004	(72,745)	(1,661,855)
Installment purchase obligations issued	160,205	-	-	160,205
Total other financing sources and uses	<u>(369,696)</u>	<u>574,004</u>	<u>(44,103)</u>	<u>160,205</u>
Net change in fund balance	(1,495,822)	(4,462)	(1,037,802)	(2,538,086)
Fund balances-beginning	7,963,807	651	1,317,033	9,281,491
Restatement	-	-	-	-
Fund balances-ending	<u>\$ 6,467,985</u>	<u>\$ (3,811)</u>	<u>\$ 279,231</u>	<u>\$ 6,743,405</u>

**Caswell County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**And Changes In Fund Balance of Governmental Funds**  
**To The Statement of Activities**  
**For the Year Ended June 30, 2017**

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

Net changes in fund balances - total governmental funds	\$ (2,538,086)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,620,829
Cost of disposed capital asset not recorded in fund statements	-
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,418,578)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(160,205)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,268,545
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	1,770
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	658,221
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	11,859
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	28,509
Compensated absences	(70,059)
Other postemployment benefits	(118,638)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(4,018)
Pension expense	(795,018)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(118,202)
Increase in accrued interest receivable at end of year	(15,327)
Total changes in net position of governmental activities	<u>\$ (1,648,398)</u>

**Caswell County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund and Annually Budgeted Major Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund				Special Fire District Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>								
Ad valorem taxes	\$ 12,165,407	\$ 12,165,407	\$ 11,303,518	\$ (861,889)	\$321,923	\$ 418,148	\$ 365,545	\$ (52,603)
Other taxes and licenses	3,288,242	3,316,383	3,336,680	20,297	4,500	4,500	5,313	813
Restricted intergovernmental	7,249,088	7,527,454	6,682,324	(845,130)	-	-	-	-
Unrestricted intergovernmental	202,635	202,635	182,601	(20,034)	-	-	-	-
Permits and fees	604,057	624,405	639,299	14,894	-	-	-	-
Sales and services	1,716,430	1,855,011	2,062,120	207,109	-	-	-	-
Investment earnings	7,130	8,921	27,193	18,272	-	-	-	-
Miscellaneous	-	24,876	72,056	47,180	-	-	-	-
Total revenues	<u>25,232,989</u>	<u>25,725,092</u>	<u>24,305,791</u>	<u>(1,419,301)</u>	<u>326,423</u>	<u>422,648</u>	<u>370,858</u>	<u>(51,790)</u>
<b>Expenditures</b>								
Current:								
General government	3,342,707	3,311,418	2,901,878	409,540	-	-	-	-
Public safety	6,854,900	7,005,142	6,681,128	324,014	900,427	996,652	949,324	47,328
Environmental Protection	100,691	103,899	101,882	2,017	-	-	-	-
Economic and physical development	436,139	563,001	499,546	63,455	-	-	-	-
Human services	9,497,799	9,716,500	9,215,018	501,482	-	-	-	-
Cultural and recreational	634,315	697,309	654,447	42,862	-	-	-	-
Intergovernmental:								
Education	3,792,240	3,792,240	3,792,240	-	-	-	-	-
Debt service	1,585,424	1,588,265	1,588,243	22	-	-	-	-
Total expenditures	<u>26,244,215</u>	<u>26,777,774</u>	<u>25,434,382</u>	<u>1,343,392</u>	<u>900,427</u>	<u>996,652</u>	<u>949,324</u>	<u>47,328</u>
Revenues over (under) expenditures	<u>(1,011,226)</u>	<u>(1,052,682)</u>	<u>(1,128,591)</u>	<u>(75,909)</u>	<u>(574,004)</u>	<u>(574,004)</u>	<u>(578,466)</u>	<u>(4,462)</u>
<b>Other financing sources (uses):</b>								
Appropriated fund balance	1,461,860	1,527,407	-	(1,527,407)	-	-	-	-
Debt proceeds	160,205	160,205	160,205	-	-	-	-	-
Transfers from other funds	778,165	778,165	795,344	17,179	574,004	574,004	574,004	-
Transfers to other funds	(1,389,004)	(1,413,095)	(1,440,514)	(27,419)	-	-	-	-
Total other financing sources (uses)	<u>1,011,226</u>	<u>1,052,682</u>	<u>(484,965)</u>	<u>(1,537,647)</u>	<u>574,004</u>	<u>574,004</u>	<u>574,004</u>	<u>-</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(1,613,556)</u>	<u>\$ (1,613,556)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(4,462)</u>	<u>\$ (4,462)</u>
<b>Fund balances:</b>								
Beginning of year, July 1			7,259,177				651	
Restatement of Fund Balance (see Note X)			-				-	
End of year, June 30			<u>\$ 5,645,621</u>				<u>\$ (3,811)</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:								
Investment Earnings			173					
Revaluation Expense			-					
Transfer from General Fund			30,000					
Fund balance, beginning of year			<u>67,541</u>					
School Capital Reserve Fund								
Investment Earning			2,292					
Transfers-in from General Fund			807,869					
Transfer-out to General Fund			(722,600)					
Fund Balance, Beginning			<u>637,089</u>					
Fund balance, ending (Exhibit 4)			<u>\$ 6,467,985</u>					

**Caswell County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	MAJOR		
	Solid Waste Management	Caswell Division of Transportation	Total Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 976,753	\$ 314,435	\$ 1,291,188
Taxes receivable (net)	72,654	-	72,654
Accounts receivable (net)	15,274	34,088	49,362
Due from other funds	-	-	-
Total current assets	1,064,681	348,523	1,413,204
Noncurrent assets:			
Net Pension Asset	-	-	-
Capital assets:			
Land, improvements and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	223,241	363,877	587,118
Total capital assets	260,741	363,877	624,618
Total noncurrent assets	260,741	363,877	624,618
Total assets	1,325,422	712,400	2,037,822
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	23,916	41,837	65,753
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current liabilities:			
Accounts Payable	52,870	2,085	54,955
Compensated absences payable	2,621	3,221	5,842
Total current liabilities	55,491	5,306	60,797
Noncurrent liabilities:			
Compensated absences	7,863	9,662	17,525
Other postemployment benefits	28,310	55,581	83,891
Net pension liability	27,011	47,251	74,262
Accrued postclosure liability	77,625	-	77,625
Total noncurrent liabilities	140,809	112,494	253,303
Total liabilities	196,300	117,799	314,099
<b>DEFERRED INFLOWS OF RESOURCES</b>	1,222	2,137	3,359
<b>NET POSITION</b>			
Net investment in capital assets	260,741	363,877	624,618
Unrestricted	891,075	270,424	1,161,499
Total net position	\$ 1,151,816	\$ 634,301	\$ 1,786,117

**Caswell County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2017**

	MAJOR		
	Solid Waste	Caswell Department of Transportation	Totals
Revenues:			
Operating Revenues:			
Charges for Services	\$ 692,570	\$ 525,151	\$ 1,217,721
Total Operating Revenues	<u>692,570</u>	<u>525,151</u>	<u>1,217,721</u>
Expenditures:			
Operating Expenses:			
Administration			
Salaries	-	63,203	63,203
Other expenses	-	75,133	75,133
Operations:			
Salaries	131,433	197,574	329,007
Other Expenses	715,673	66,112	781,785
Depreciation	40,052	73,565	113,617
Total Expenditures	<u>887,158</u>	<u>475,587</u>	<u>1,362,745</u>
Operating income (loss)	<u>(194,588)</u>	<u>49,564</u>	<u>(145,024)</u>
Nonoperating Revenues (Expenses)			
Interest Earned on Investments	428	221	649
Interest Earned on interfund loan	-	-	-
Disposal Tax	57,785	-	57,785
Miscellaneous Revenue	1,883	-	1,883
Gain (Loss) on disposal of assets	-	7,134	7,134
Total Nonoperating Revenues	<u>60,096</u>	<u>7,355</u>	<u>67,451</u>
CHANGE IN NET POSITION	(134,492)	56,919	(77,573)
TOTAL NET POSITION BEGINNING	<u>1,286,308</u>	<u>577,382</u>	<u>1,863,690</u>
TOTAL NET POSITION- ENDING	<u>\$ 1,151,816</u>	<u>\$ 634,301</u>	<u>\$ 1,786,117</u>

**Caswell County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2017**

	MAJOR		
	Solid Waste	Caswell Division of Transportation	Totals June 30, 2017
Cash flows from operating activities:			
Cash received from customers	\$ 713,848	\$ 564,656	\$ 1,278,504
Cash paid for goods and services	(721,362)	(141,093)	(862,455)
Cash paid to employees for services	(126,649)	(255,278)	(381,927)
Miscellaneous Revenue	1,883	-	1,883
Net cash provided (used) by operating activities	(132,280)	168,285	36,005
Cash flows from noncapital financing activities			
Disposal tax	57,785	-	57,785
(Increase) decrease in due from other funds	-	-	-
Transfers out	-	-	-
Net cash provided (used) by noncapital financial activities	57,785	-	57,785
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(54,571)	(54,571)
Proceeds from sale of property and equipment	-	23,000	23,000
Net cash provided (used) by capital and related financing activities	-	(31,571)	(31,571)
Cash flows from investing activities:			
Interest on interfund loan	-	-	-
Interest on investments	428	221	649
Net cash flows from investing activities	428	221	649
Net increase (decrease) in cash and cash equivalents	(74,067)	136,935	62,868
Cash and cash equivalents, July 1	1,050,820	177,500	1,228,320
Cash and cash equivalents, June 30	\$ 976,753	\$ 314,435	\$ 1,291,188

(continued)

**Caswell County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2017**

**Reconciliation of operating income to net cash  
provided by operating activities:**

Operating income (loss)	\$ (194,588)	\$ 49,564	\$ (145,024)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	40,052	73,565	113,617
Miscellaneous Revenue	1,883	-	1,883
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	21,278	39,505	60,783
(Increase) decrease in deferred outflows of resources for pensions	(18,522)	(32,402)	(50,924)
Increase (decrease) in accounts payable and accrued liabilities	4,187	152	4,339
Increase (decrease) in deferred inflows of resources for pensions	(2,066)	(3,615)	(5,681)
Increase (decrease) in net pension liability	21,378	37,397	58,775
Increase (decrease) in accrued postclosure liability	(9,876)	-	(9,876)
Increase (decrease) in compensated absences	1,603	523	2,126
Increase (decrease) in OPEB	2,391	3,596	5,987
Total adjustments	<u>62,308</u>	<u>118,721</u>	<u>181,029</u>
Net cash provided (used) by operating activities	\$ <u>(132,280)</u>	\$ <u>168,285</u>	\$ <u>36,005</u>

**Caswell County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Agency Funds
<b>ASSETS</b>	
Cash and investments	\$ 19,156
Accounts Receivable	24,280
Total Assets	<u>\$ 43,436</u>
<b>LIABILITIES AND NET POSITION</b>	
Liabilities:	
Miscellaneous Liability	\$ 43,436
Total liabilities	<u>43,436</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Pension	<u>\$ 43,436</u>

# **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**NOTE I: Summary of Significant Accounting Policies**

The accounting policies of Caswell County and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The discretely presented component unit is reported in a separate column in the basic financial statements in order to emphasize that it is legally separate from the County.

**Discretely Presented Component Unit**

*Caswell County ABC Board*

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the ABC Board may be obtained at the administrative office of that entity.

Caswell County ABC Board  
P.O. Box 338  
Yanceyville, North Carolina 27379

**B. Basis of Presentation – Basis of Accounting**

**Basis of Presentation, Measurement Focus - Basis of Accounting**

**Government-wide Statements:** The statement of net position and the statement of activities display information about the primary government net position (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Fund Financial Statements:** The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental fund:

**General Fund.** This 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 Revaluation Fund and the School Capital Reserve Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

**Fire District Fund.** This special revenue fund is used to account for taxes collected for fire districts.

The County reports the following enterprise funds:

**Solid Waste Management Fund.** This fund accounts for the collection and disposal of the County's solid waste.

**Caswell Division of Transportation Fund.** This fund provides transportation for external clients of County departments and agencies and derives its revenue from user fees.

Additionally, the County reports the following fiduciary fund types:

**Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Drug Fund, which accounts for receipts and disbursements involving sheriff drug funds; the Fines and Forfeitures and Floodplain Mapping Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Caswell County Board of Education and the fees collected for floodplain mapping that the County is required to remit to the North Carolina State Treasurer; and the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County.

**Non-major Funds.** The County maintains eleven legally budgeted funds. The Emergency Telephone System, Revolving Loan, and Special Grants Funds are reported as non-major special revenue funds. The Water and Sewer Fund, County Building, Equipment and Automation, School Capital Projects, Scattered Site, Library Development, Detention Center Project Fund, Senior Center Project Fund, and Courthouse HVAC Fund are reported as capital project funds.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**C. Measurement Focus, Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements.** The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (the Revaluation Fund, the Special Fire Districts Fund, the Emergency Telephone System Fund, the School Capital Reserve Fund, the Revolving Loan Fund, and the Special Grant Fund), and for five of the Capital Projects Funds (County Building Fund, the Water and Sewer Fund, the Equipment and Automation Fund, the Library Development Fund, and the School Capital Projects Fund). An annual budget is also adopted for the two Enterprise Funds (the Solid Waste Fund and the Caswell Division of Transportation Fund). Project ordinances are prepared for only three funds, the Scattered Site Fund, the Detention Center Project Fund and the Senior Center Project Capital Project Funds.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and the Enterprise Funds, and at the object level for the Capital Project Funds. The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

**1. Deposits and Investments**

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Deposits and Investments (Continued)**

State Law [G.S. 159-30(c)] authorizes the County and the ABC Board 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 County's and the ABC Board's investments are carried at fair value as determined by quoted market prices. The NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

The County pools money from several funds, except the Social Services Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**3. Restricted Assets**

The unexpended bond proceeds of the Detention Center Project Fund are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

**Caswell County Restricted Cash**

<u>Governmental Activities</u>		
General Fund	Tax Revaluation	\$ 97,715
General Fund	Register of Deeds	48,419
General Fund	Unexpended School Restricted Capital	589,517
Courthouse HVAC Fund	Unexpended Project Funds	13,967
Total Restricted Cash		<u>\$ 749,618</u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016.

**5. Allowance for Doubtful Accounts**

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**6. Inventory**

The inventories of the ABC Board are valued at cost (first in, first out), which approximates market. The inventory of the ABC Board consists of goods held for sale. The cost of the inventory carried at the ABC Board is recorded as an expense as it is sold.

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are: \$5,000 for buildings, building improvements, equipment vehicles and furniture. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Caswell County Board of Education 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 give the Board of Education 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 Caswell County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Land Improvements	15
Building, improvements and other plant	15
Infrastructure	50
General Equipment	5-10
Vehicles	5-10

Property, plant and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as

	<u>Useful Life</u>
Buildings	20-40
Equipment (warehouse, store, and	4-10
Vehicles	5
Leasehold Improvements	8

**8. Deferred Outflows/Inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has two items that meet the criterion for this category - prepaid taxes and other pension related deferrals.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**9. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

**10. Compensated Absences**

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund and the ABC Board. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2017 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and there is no current portion. A current portion has been estimated.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

**11. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Fund Balances (Continued)**

Restricted for Education - portion of fund balance that can only be used for the School Capital Fund per G.S. 159-18-22.

Restricted for General Government - portion of fund balance that is restricted by revenue source for general government.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for fire safety and police.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for economic development.

Restricted for Human Services - portion of fund balance that is restricted by revenue source for Human services.

Restricted for Cultural and Recreational - portion of fund balance that is restricted by revenue source for cultural and recreational activities.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by resolution of the County's Board of Commissioners (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the Board of Commissioners.

Committed for Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation.

Committed for LEO pension obligation - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Assigned Fund Balance - portion of fund balance that the County's Board of Commissioners has assigned.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Caswell County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**12 Defined Benefit Pension Plans**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employee contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**NOTE II: Stewardship, Compliance and Accountability**

**Deficit Fund Balance or Net Position of Individual Funds**

The following funds had a deficit fund balance as follows:

	<u>Amount</u>
Special District Fire	\$ 3,811
Scattered Site Fund	1,367

The deficit fund balances resulted from the requirement to incur expenses prior to requesting reimbursement for lack of funding received from the General Fund to supplement the accounts.

**NOTE III: Detail Notes on All Funds**

A. Assets

1. Deposits

All of the County's and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Board's agent, and the Company's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Deposits (Continued)

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2017 the County's deposits had a carrying amount of \$1,149,641 and a bank balance of \$1,397,692. Of the bank balance, \$250,000 was covered by federal depository insurance; and \$1,147,692 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2017, the carrying amount of deposits for the ABC Board's deposits was \$269,617 and a bank balance of \$284,856. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2017, the ABC Board had \$ 5,075 in petty cash and change funds.

2 . Investments

At June 30, 2017, the County's investments consisted of \$5,985,592 in the North Carolina Capital Management Trust Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

3 . Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forest land may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year				
Levied	Tax	Interest	Total	
2014	\$ 1,163,508	\$ 309,286	\$ 1,472,794	
2015	1,217,868	323,737	1,541,605	
2016	1,230,084	326,984	1,557,068	
2017	1,471,765	84,626	1,556,391	
Total	\$ 5,083,225	\$ 1,044,633	\$ 6,127,858	

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
<b>Governmental Activities:</b>					
General	\$ 2,730,970	\$ 797,629	\$ -	\$ 109,323	\$ 3,637,922
Other Governmental	52,990	98,193	-	-	151,183
Total Receivables	\$ 2,783,960	\$ 895,822	\$ -	\$ 109,323	\$ 3,789,105
Allowance for Doubtful Accts.	(1,294,017)	(439,000)	-	-	(1,733,017)
Total Gov't Activities	\$ 1,489,943	\$ 1,334,822	\$ -	\$ 109,323	\$ 2,056,088
<b>Business-type Activities:</b>					
Solid Waste	\$ 15,274	\$ 89,254	\$ -	\$ -	\$ 104,528
CDOT	34,088	-	-	-	34,088
Total Receivables	\$ 49,362	\$ 89,254	\$ -	\$ -	\$ 138,616
Allowance for Doubtful Accts.	-	(16,600)	-	-	(16,600)
Total Business-type	\$ 49,362	\$ 72,654	\$ -	\$ -	\$ 122,016

The due from other governments that is owed to the County consists of the following:

<b>Governmental Activities:</b>	
Sales and Use Tax	\$ 109,323
Total	\$ 109,323

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2017, was as follows:

<u>Governmental Activities:</u>	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in Progress	78,403	1,078,717	-	-	1,157,120
Total capital assets not being depreciated	994,273	1,078,717	-	-	2,072,990
Capital assets being depreciated:					
Building	20,998,235	-	-	-	20,998,235
Improvements	2,420,269	103,851	-	-	2,524,120
Equipment	3,785,725	106,000	-	-	3,891,725
Vehicles	2,360,229	332,261	-	-	2,692,490
Audio Visual	55,644	-	-	-	55,644
Other Assets	5,327,143	-	-	-	5,327,143
Infrastructure	17,277	-	-	-	17,277
Total capital assets being depreciated:	34,964,522	542,112	-	-	35,506,634
Less accumulated depreciation for:					
Building	5,994,992	679,916	-	-	6,674,908
Improvements	1,513,427	66,342	-	-	1,579,769
Equipment	2,719,858	329,265	-	-	3,049,123
Vehicles	1,209,906	235,015	-	-	1,444,921
Audio Visual	50,079	-	-	-	50,079
Other Assets	2,417,284	107,729	-	-	2,525,013
Infrastructure	7,308	311	-	-	7,619
Total accumulated depreciation:	13,912,854	\$ 1,418,578	\$ -	\$ -	15,331,432
Total capital assets being depreciated, net	21,051,668				20,175,202
Governmental activity capital assets, net	\$ 22,045,941				\$ 22,248,192

Depreciation expenses are charged to functions/ program of the governmental activity capital assets as follows:

General Government	\$ 153,676
Public Safety	901,277
Economic and Physical Development	66,771
Human Services	114,868
Cultural and Recreational	181,986
Total Depreciation Expense	\$ 1,418,578

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Capital Assets (Continued)

Business-type activities:

**Solid Waste**

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 37,500	\$ -	\$ -	\$ -	\$ 37,500
Total capital assets not being depreciated:	37,500	-	-	-	37,500
Capital assets being depreciated:					
Buildings	27,102	-	-	-	27,102
Land Improvements	120,417	-	-	-	120,417
General Equipment	335,836	-	-	-	335,836
Vehicles	170,458	-	-	-	170,458
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated :	1,057,488	-	-	-	1,057,488
Less accumulated depreciation for:					
Buildings	15,871	654	-	-	16,525
Land Improvements	120,359	58	-	-	120,417
General Equipment	238,592	27,976	-	-	266,568
Vehicles	15,698	11,364	-	-	27,062
Other Assets	403,675	-	-	-	403,675
Total accumulated depreciation:	794,195	\$ 40,052	\$ -	\$ -	834,247
Total capital assets being depreciated, net	263,293				223,241
Solid Waste capital assets, net	\$ 300,793				\$ 260,741

**Caswell Division of Transportation**

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets being depreciated:					
Building Improvements	\$ 231,507	\$ -	\$ -	\$ -	\$ 231,507
Land improvements	16,900	-	-	-	16,900
Computer Equipment	10,190	-	-	-	10,190
Vehicles	419,067	54,571	(43,271)	-	430,367
Total capital assets not being depreciated:	677,664	54,571	(43,271)	-	688,964
Less accumulated depreciation for:					
Building Improvements	23,151	5,788	-	-	28,939
Land Improvements	5,493	1,690	-	-	7,183
Computer Equipment	9,340	425	-	-	9,765
Vehicles	240,943	65,662	(27,405)	-	279,200
Total accumulated depreciation	278,927	73,565	(27,405)	-	325,087
Total capital assets being depreciated :	398,737	\$ (18,994)	\$ (15,866)	\$ -	363,877
Caswell Div. Transportation capital assets, net	398,737				363,877
Business-type activities capital assets, net	\$ 699,530				\$ 624,618

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Capital Assets (Continued)

<b>Caswell County ABC Board</b>	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated :					
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Total capital assets not being depreciated	6,000	-	-	-	6,000
Capital assets being depreciated					
Buildings	185,964	-	-	-	185,964
Warehouse equipment	2,326	-	-	-	2,326
Vehicles	39,519	-	-	-	39,519
Office furniture and equipment	31,236	-	-	-	31,236
Store Fixtures and equipment	134,075	-	6,069	-	128,006
Leasehold improvements	32,952	-	-	-	32,952
Total capital assets being depreciated	426,072	-	6,069	-	420,003
Less accumulated depreciation for:					
Assets being depreciated	236,574	24,467	6,069	-	254,972
Total accumulated depreciation	236,574	\$ 24,467	\$ 6,069	\$ -	254,972
Total capital assets being depreciated ,net	189,498				165,031
ABC Board capital assets-net	\$ 195,498				\$ 171,031

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2017, were as follows :

	Vendors
Governmental Activities:	
General	\$ 506,399
Special Fire District	96,989
Other Governmental	29,404
Total Governmental Activities	\$ 632,792
Business-type Activities:	
Solid Waste	\$ 52,870
CDOT	2,085
Total Business-type Activities	\$ 54,955

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 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. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers, 7.35% for general employees and firefighters, and 7.35% for DSS employees, 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 \$672,660 for the year ended June 30, 2017.

**CASWELL COUNTY, NORTH CAROLINA**  
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*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2017, the County reported a liability of \$2,828,011 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.1332%, which was an increase of 0.0018% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$755,297. At June 30, 2017, 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	\$ 53,134	\$ 99,097
Changes of assumptions	193,694	-
Net difference between projected and actual earnings on pension plan investments	1,563,535	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	20,939	28,791
County contributions subsequent to the measurement date	672,660	-
Total	<u>\$ 2,503,962</u>	<u>\$ 127,888</u>

\$672,660 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June</b>	
2018	\$ 251,935
2019	252,277
2020	746,823
2021	452,379
2022	-
Thereafter	-
	<u>\$ 1,703,414</u>

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

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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, 2016 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	29.00%	1.4%
Global Equity	42.00%	5.3%
Real Estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation	6.00%	4.0%
Total	<u>100.00%</u>	

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The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at 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.

*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 7.25 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 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 6,712,190	\$ 2,828,011	\$ (416,344)

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

**b. Law Enforcement Officers' Special Separation Allowance**

**1 *Plan Description***

Caswell County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits.	0
Active plan members	35
Total	37

**CASWELL COUNTY, NORTH CAROLINA  
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**2 Summary of Significant Accounting Policies**

Basis of Accounting - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

**3 Actuarial Assumptions**

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

Inflation	3.0 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.86 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

**4 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. There were no contributions by employees. The County paid \$11,859 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported total pension liability of \$707,495. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$57,314.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumption	-	13,342
Benefit payments and administrative expenses subsequent to the measurement date	11,859	-
Total	\$ 11,859	\$ 13,342

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\$11,859 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 2,706
2019	2,706
2020	2,706
2021	2,706
2022	2,518
Thereafter	-

\$11,859 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.86 percent) or 1-percentage point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 764,459	\$ 707,495	\$ 655,036

**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**

	2017
Beginning balance	\$ 683,438
Service Cost	35,387
Interest on the total pension liability	24,054
Change in benefit terms	-
Difference between expected and actuarial experience	-
Changes of assumptions or other inputs	(16,048)
Benefit payments	(19,336)
Other changes	-
Ending balance of the total pension liability	<u>\$ 707,495</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through December 31, 2014.

**CASWELL COUNTY, NORTH CAROLINA  
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c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$157,082, which consisted of \$76,527 from the County and \$80,555 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

*Plan Description.* also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, 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 Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,225 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$32,441 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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 RODSPF employers, actuarially determined. At June 30, 2016, the County's proportion was 0.1735%, which was a decrease of 0.0048% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension revenue of \$2,241. At June 30, 2017, 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	\$ 35	\$ 420
Changes of assumptions	8,643	-
Net difference between projected and actual earnings on pension plan investments	56	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	89	1,071
County contributions subsequent to the measurement date	3,225	-
Total	<u>\$ 12,048</u>	<u>\$ 1,491</u>

\$3,225 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2018	\$ 2,942
2019	3,359
2020	1,390
2021	(359)
Thereafter	-
	<u>\$ 7,332</u>

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

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

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The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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 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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. 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.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 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 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (67,821)	\$ (84,103)	\$ (97,797)

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

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e. Other Postemployment Benefits

*Plan Description.* According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty consecutive years of service or who through disability retirement has five years of creditable service with the County. The County pays the full cost of coverage for these benefits until age 65, at which time the County offers a Medicare Supplement. Also, retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees receiving benefits	16	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active members	<u>193</u>	<u>34</u>
Total	<u><u>209</u></u>	<u><u>37</u></u>

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 3.95% of annual covered payroll. For the current year, the County contributed \$107,127 or 1.35% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented \$107,127 and 1.35% of covered payroll, respectively. There were no contributions made by employees. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 224,191
Interest on net OPEB obligation	56,060
Adjustment to annual required contribution	(53,555)
Annual OPEB cost (expense)	<u>\$ 226,696</u>
Contributions made	(135,264)
Increase (decrease) in net OPEB obligation	<u>\$ 91,432</u>
Net OPEB obligation, beginning of year	1,401,508
Net OPEB obligation, end of year	<u><u>\$ 1,492,940</u></u>

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

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 303,535	51.4%	\$ 1,195,507
2016	\$ 313,128	34.2%	\$ 1,401,508
2017	\$ 226,686	59.7%	\$ 1,492,930

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$2,556,761. The covered payroll (annual payroll of active employees covered by the plan) was \$7,932,864, and the ratio of UAAL to the covered payroll was 32.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefit.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

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In the December 31, 2015, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 7.75% and 5.00%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2015, was 30 years.

**f. Other Employment Benefits**

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

**3 Deferred Outflows and Inflows of Resources**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Charge on refunding of debt	\$ 16,076	\$ -
Pensions - difference between expected and actual experience		
LGERS	53,134	99,097
Register of Deeds	35	420
Changes of assumptions		
LGERS	193,694	-
Register of Deeds	8,643	-
LEOSSA	-	13,342
Pensions - difference between projected and actual investment		
LGERS	1,563,535	-
Register of Deeds	56	-

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Deferred Outflows and Inflows of Resources (continued)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	20,939	28,791
Register of Deeds	89	1,071
Contributions to pension plan in current fiscal year		
LGERS	672,660	-
Register of Deeds	3,225	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	11,859	-
Prepaid taxes not yet earned (General Fund)	-	47,959
Taxes receivable, net (General)	-	302,717
Taxes receivable, net (Special Revenue)	-	98,193
Total	<u>\$ 2,543,945</u>	<u>\$ 591,590</u>

**4 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 participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners.

Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with sub-limits on coverage for special perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence; auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000, up to \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation.

Through the captive, the Liability and Property Pool is reinsured for \$2 million of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$498 million purchased through a group of commercial carriers through the multi-state entity captive.

In accordance with G.S. 159-29, the County's employees that access to \$100 or more at any given time of the County's funds at any given time are performance bonded through a commercial crime coverage with a \$250,000 occurrence limit. The Director of Finance and tax collector are each bonded for \$100,000 and \$75,000 respectively. The Register of Deeds is bonded for \$25,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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Caswell County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has legal liquor legal liability coverage. 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.

**5 Summary of Disclosure of Significant Commitments**

The County entered into various agreements prior to June 30, 2017, as follows:

	<u>Unpaid Commitments</u>
Contract for soil conservation survey over 10 years (1 year remaining)	\$ 20,381
Total	<u>\$ 20,381</u>

These amounts were not recorded in the basic financial statements at June 30, 2017, since services have either not been commenced or fully performed.

**a. Contingent Liabilities**

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**b. Long-Term Obligations**

**a. Capital Leases**

Caswell County has entered into a lease agreement to upgrade E911. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception. The agreement was executed on June 3, 2013 for the lease equipment to upgrade E911 that requires five annual payments of \$74,088.

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
E911 Equipment	\$ 342,480	\$ 205,488	\$ 136,992

For Caswell County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	
2018	\$ 74,087
Total minimum lease payment	74,087
Less: amount representing interest	2,482
Present Value of minimum lease payments	<u>\$ 71,605</u>

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**b. Installment Purchase**

Paid or serviced by the General Fund:

Note payable to Piedmont Electric for purchase of an ambulance. Principal payments of \$36,000 with no interest for ten years due annually in July.	\$ 252,000
Note payable to Pinnacle Public Finance for the Courthouse HVAC replacement project. Principal payments of \$98,000, plus accrued interest at 2.15% are due annually starting August 1, 2016.	887,000
Note payable to American National Bank and Trust Company for the purchase of 5 Sheriff Vehicles. Principal payments of \$51,918, plus accrued interest at 1.93% are due annually starting May 1, 2016.	52,203
Note payable to American National Bank and Trust Company for the purchase of 12 Fleet Vehicles. Principal payments of \$54,399, plus accrued interest at 2.10% are due annually starting May 1, 2016.	161,164
Note payable to the Fidelity Bank for the purchase of 5 Police Vehicles. Payments of \$54,841, including interest at 2.49% are due annually starting May 1, 2017.	105,663
Total	<u>\$ 1,458,030</u>

Caswell County, the future minimum payments as of June 30, 2017, including \$106,074 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 290,391	\$ 25,123
2019	240,576	20,606
2020	193,063	16,033
2021	135,000	12,685
2022	135,000	10,557
2023-2027	464,000	21,070
Total	<u>\$ 1,458,030</u>	<u>\$ 106,074</u>

**c. General Obligation Indebtedness**

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. The County's Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water Districts' funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2017 are comprised of the following individual issues:

**Serviced by the County's General Fund:**

**General Obligation Bonds:**

\$2,560,000 2010 General Obligation Refunding Bonds. Due to February 1 in installments of \$203,250 to \$307,350 through February 1, 2021; interest ranging from 2% to 3.25%

\$ 845,000

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2017 were as follows:

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2018	\$ 220,000	\$ 25,850
2019	215,000	19,250
2020	210,000	12,800
2021	200,000	6,500
2022	-	-
Total	\$ 845,000	\$ 64,400

d. **Private Placement Bonds**

The County records long-term debt of the government funds at face value in the government-wide financial statements. The County issued private placement bonds to provide funds for the construction of the new detention center . Principal and interest payments are appropriated when due.

The County's private placement bonds payable at June 30, 2017 are comprised of the following individual issues:

Serviced by the County's General Fund:

**\$8,567,000** 2011 Bonds Due February 1 and August 1 in installments of \$142,426 to \$447,983  
through August 1, 2016; interest 3.325%

\$ 6,233,000

Year Ending June 30	Governmental Activities	
	Revolving Loans	
	Principal	Interest
2018	\$ 656,000	\$ 201,794
2019	656,000	179,983
2020	656,000	158,170
2021	656,000	136,358
2022	656,000	114,546
2023-2027	2,953,000	245,535
Total	\$ 6,233,000	\$ 1,036,386

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

f. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Current Portion
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 1,070,000	\$ -	\$ 225,000	\$ 845,000	\$ 225,000
Plus premiums on issuance	8,849	-	1,770	7,079	1,770
Total General obligation bonds	1,078,849	-	226,770	852,079	226,770
Capital Leases	140,812	-	69,207	71,605	69,207
Private placement bonds	6,889,000	-	656,000	6,233,000	656,000
Installment purchase	1,616,163	160,205	318,338	1,458,030	290,391
Compensated Absences	615,000	685,059	615,000	685,059	171,265
Net pension liability (LGERS)	574,274	2,179,475	-	2,753,749	-
Total pension liability (LEOSSA)	683,438	24,057	-	707,495	-
Postemployment Benefits	1,323,604	218,195	99,557	1,442,242	-
Total governmental activities	\$ 12,921,140	\$ 3,266,991	\$ 1,984,872	\$ 14,203,259	\$ 1,413,633
<b>Business-type Activities:</b>					
Postemployment benefits					
Solid Waste	\$ 25,919	\$ 2,391	\$ -	\$ 28,310	\$ -
Caswell Div. Transport	51,985	3,596	-	55,581	-
Total	77,904	5,987	-	83,891	-
Net Pension Liability(LGERS)					
Solid Waste	5,633	21,378	-	27,011	-
Caswell Div. Transportation	9,854	37,397	-	47,251	-
Total	15,487	58,775	-	74,262	-
Compensated Absence					
Solid Waste	8,881	10,484	8,881	10,484	2,621
Caswell Div. Transpiration	12,359	12,882	12,359	12,882	3,221
Total	21,240	23,366	21,240	23,366	5,842
Accrued post closure liability	87,501	-	9,876	77,625	-
Total Business-type activities	\$ 202,132	\$ 88,128	\$ 31,116	\$ 259,144	\$ 5,842

Compensated absences, post employment benefits and the net pension obligation for governmental activities are generally liquidated by the General Fund. Compensated absences and postemployment benefits for business-type activities are generally liquidated by the Solid Waste Management Fund and the Caswell Division Transportation Fund.

On June 30, 2017, Caswell County had a legal debt margin of \$121,364,632.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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g. **Closure and Post closure Care Costs- Solid Waste Landfill Facility**

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The Caswell County landfill closed in 1994. The \$77,625 reported as accrued landfill closure liability at June 30, 2017 represents the latest estimate for costs remaining.

The County has met the requirements of a local government financial tests that helps determine if a unit is financially able to meet closure and postclosure care requirements. The County budgets annually for postclosure care. In the event a natural occurrence, inflation or any other unforeseen event occurs, the County would appropriate funds from the Solid Waste fund balance and/or increase charges to future solid waste customers.

C. **Interfund Balances and Activity**

**Transfers from /to other funds**

From the School Capital Reverse Fund to the General Fund for school bond payments	\$ 722,600
From the Emergency Telephone System Fund for funding for project	55,565
From the General Fund to the School Capital Reverse Fund for restricted sales tax	807,868
From the General Fund to the Special Fire Department for volunteer fire departments rescue operations	574,004
From the General Fund to the Revaluation Fund for revaluation reserve and expense paid.	30,000
From the General Fund to the Building Fund to close out the project.	5,922
From the General Fund to the Detention Center Project Fund to close out the project.	22,294
From the Senior Center Project Fund to the General Fund to close out the project.	16,973
From the Water and Sewer Capital Project Fund to the General Fund to close out the project.	207
Total	<u>\$ 2,235,433</u>

**Due from/to other funds**

From the Scattered Site Fund to General Fund for central depository overdraft	<u>\$ 1,367</u>
Total	<u><u>\$ 1,367</u></u>

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**D. Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-type</u>
Net Capital assets	\$ 22,248,192	\$ 624,618
Capital debt calculation:		
Total debt, gross	8,607,635	-
Less:		
School debt for assets to which the county does not hold title	(845,000)	-
Add back:		
Unspent Loan Proceeds	13,967	-
Adjusted Debt	7,776,602	-
Net Investment in capital assets	<u>\$ 14,471,590</u>	<u>\$ 624,618</u>

**E. Fund Balance**

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriations:

Total Fund Balance - General Fund	\$ 6,467,985
Less:	
Stabilization by State Statute	\$ 1,547,643
Appropriated fund balance in 2018 budget	430,340
Register of Deeds	49,102
Tax Revaluation	97,715
Education	724,650
LEO Separation	33,785
Remaining Fund Balance	3,584,750

The County outstanding encumbrances of \$38,681 at June 30, 2017.

**NOTE IV: Joint Ventures**

Caswell County participates with Alamance, Cabarrus, Chatham, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren counties in an Area Authority and Managed Care Organization operated by Cardinal Innovations. The Area Board is comprised of a single governing board and community oversight boards; one for each community operations center. The appointment of members to the governing board and the community oversight boards is in accordance with bylaws set forth in the Joint Resolution. The County does not retain an equity interest in the program. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative officers located at Community Operations, 201 Sage Road Suite 300, Chapel Hill, NC 27214.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**NOTE V: Joint Governed Organization**

Piedmont Triad Council of Governments

The Council is a voluntary association of the country governments, established as a jointly governed organization of the participating counties to coordinate funding from federal and State agencies. Each county appoints one member of the Council's governing board, whose responsibilities include approving the budget and designating the management of the Council. The participating counties do not retain an ongoing financial interest in or responsibility for the Council.

Person- Caswell Lake

The Authority is a jointly governed organization formed by Person and Caswell Counties to regulate the use of Hyco Lake. Each county appoints three members to the Authority, but neither county provides funding, nor do they retain an ongoing financial interest there in or for the Authority.

Piedmont Community

The County provides a small percentage of the College's annual operating budget, but the College is not fiscally dependent upon this annual allocation. The County does not retain an ongoing interest in or responsibility for the College.

Piedmont Triad Partnership

The partnership is an economic development marketing arm of North Carolina's Piedmont Triad Region. The region is marketed domestically and internationally to attract new business investments and new job creation. The Partnership teams with the local economic development offices in the region and with the North Carolina Department of Commerce to provide economic ,demographic, site, building, and labor information to companies and consultants around the globe. The participating counties do not retain ongoing financial interest in or responsibility for the Partnership. The Caswell County Board of Commissioners appoints one member to the Partnership Board.

**NOTE VI: Related Party Transactions**

Caswell County had contractual agreements with a board members during the fiscal year. The County had a contract operator agreement with William Carter as a contract distribution operator . The annual cost is \$9,600, paid in monthly installments of \$800. At fiscal year-end, the agreement was binding and there were no outstanding payments due.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE VII: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 108,910	\$ -
Foster Care	28,170	7,798
Adoption Assistance	86,620	22,477
Medicaid	21,978,858	12,254,561
N.C. Health	380,717	1,044
Women, Infants, and Children (WIC)	234,459	-
State/ County Special Assistance for Adults	-	270,147
CWS Adoption Subsidy	-	28,171
Energy Assistance	107,875	-
SFHF Maximization	-	18,351
State Foster Home	-	15,563
Totals	<u>\$ 22,925,609</u>	<u>\$ 12,618,112</u>

**NOTE VIII: Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**NOTE IX: Significant Effects of Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2017 and December 29, 2017, which is the date that that financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no additional events that occurred during this time that were deemed to be significant enough to be disclosed.

**NOTE X: Change in Accounting Principles/ Restatement**

In accordance with Governmental Accounting Standards Board (GASB) No. Statement 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on the net position of the benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased by \$307,116. The County will implement GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans for the Healthcare Benefits Plan effective for the year ending June 30, 2018. The implementation of this statement will have no effect on net position.

# **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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- **Schedule of Funding Progress and Employer Contributions for the Other Postemployment Benefits**
- **Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System**
- **Schedule of County Contributions for the Local Governmental Employees' Retirement System**
- **Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Register of Deeds' Supplemental Pension Fund**
- **Schedule of County Contributions for the Register of Deeds' Supplemental Pension Fund**
- **Schedule of Changes in Total Pension Liability (LEO)**
- **Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)**

**Caswell County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
June 30, 2017**

Exhibit A-1

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2011	\$ -	\$ 3,450,794	\$ 3,450,794	0.00%	\$ 7,357,897	46.90%
12/31/2013	-	3,360,398	3,360,398	0.00%	7,590,994	44.27%
12/31/2015	-	2,556,761	2,556,761	0.00%	7,932,864	32.23%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2015	301,662	51.72%
2016	313,128	34.21%
2017	224,191	60.33%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part actuarial valuation follows:

Valuation date	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical Trend Assumptions:	
Pre-Medicare trend Rate	7.75% - 5.00%
Year of ultimate trend rate	2019
*Includes inflation at	3.00%

**Caswell County, North Carolina**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**Local Government Employees' Retirement System**  
**Last Four Fiscal Years\***

<b>Local Government Employees' Retirement System</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.133%	0.131%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 2,828,011	\$ 589,761	\$ (784,126)	\$ 1,685,126
County's covered-employee payroll	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282	\$ 7,805,541
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.48%	7.50%	-10.23%	21.59%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	102.64%

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

\*\* This will be the same percentage for all participant employers in the LGERS plan.

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Caswell County, North Carolina**  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**Last Three Fiscal Years**

<b>Local Government Employees' Retirement System</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 672,660	\$ 560,597	\$ 556,303	\$ 544,352
Contributions in relation to the contractually required contribution	672,660	560,597	556,303	544,352
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282
Contributions as a percentage of covered-employee payroll	7.46%	6.84%	7.08%	7.10%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Caswell County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Four Fiscal Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.174%	0.169%	0.170%	0.150%
County's proportionate share of the net pension liability (\$)	\$ 32,441	\$ (39,108)	\$ (38,487)	\$ (32,021)
County's covered-employee payroll	\$ 42,129	\$ 38,950	\$ 41,282	\$ 41,282
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.00%	-100.41%	-93.23%	-77.57%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Caswell County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Four Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,225	\$ 2,856	\$ 2,753	\$ 1,386
Contributions in relation to contractually required contribution	<u>3,225</u>	<u>2,856</u>	<u>2,753</u>	<u>1,386</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 43,826	\$ 42,129	\$ 38,950	\$ 41,282
Contributions as a percentage of covered- employee payroll	7.36%	6.78%	7.07%	3.36%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Caswell County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2017**

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	<b>2017</b>
Beginning balance	\$ 683,438
Service Cost	35,387
Interest on the total pension liability	24,054
Changes of benefit terms	-
Differences between expected and actual experience in measurement of the total pension liability	-
Changes of assumptions or other inputs	(16,048)
Benefit payments	(19,336)
Other changes	-
Ending balance of the total pension liability	<u>\$ 707,495</u>

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

**Caswell County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2017**

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	<u>2017</u>
Total pension liability	\$ 707,495
Covered payroll	<u>1,388,436</u>
Total pension liability as a percentage of covered payroll	50.96%

Notes to the schedules:

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

**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES**

## **MAJOR GOVERNMENTAL FUNDS**

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- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
- **Special Fire District Fund:** This special revenue fund is used to account for taxes collected for fire districts.

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Ad valorem Taxes				
Current year		\$ 10,870,790		\$ 10,495,318
Prior Year		303,489		242,548
Penalties and interest		129,239		135,853
Total	<u>\$ 12,165,407</u>	<u>11,303,518</u>	<u>\$ (861,889)</u>	<u>10,873,719</u>
Other Taxes and Licenses				
Sales Tax	3,021,137	3,011,311	(9,826)	1,873,037
Medicaid hold harmless	279,946	309,926	29,980	264,466
Privilege License	600	645	45	620
Cable television	14,700	14,798	98	14,864
Total	<u>3,316,383</u>	<u>3,336,680</u>	<u>20,297</u>	<u>2,152,987</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	95,465	96,734	1,269	94,226
Gasoline tax refund	1,000	-	(1,000)	618
Indirect costs	91,670	72,430	(19,240)	77,585
ABC Distribution	12,000	11,823	(177)	12,600
DWI State/Civil license revocation	2,500	1,614	(886)	2,368
Total	<u>202,635</u>	<u>182,601</u>	<u>(20,034)</u>	<u>187,397</u>
Restricted Intergovernmental Revenues				
Federal and state grants	5,465,600	4,687,850	(777,750)	5,135,059
School share of sales tax	807,300	807,869	569	765,323
Court facilities fees	55,100	57,123	2,023	51,796
ABC Board bottle tax	11,371	11,553	182	8,217
Sheriff-DEA Funds	36,579	5,122	(31,457)	1,345
EMS Medicaid Cost Settlement	80,000	-	(80,000)	-
School resource officer	82,432	82,432	-	82,432
Section 8	989,072	1,030,375	41,303	974,901
Total	<u>7,527,454</u>	<u>6,682,324</u>	<u>(845,130)</u>	<u>7,019,073</u>
Permits and Fees				
Subdivision fees	2,500	1,767	(733)	1,920
Building permits and inspection fees	115,000	82,486	(32,514)	143,470
Outdoor storage ordinance	550	450	(100)	600
Tax collections fees	10,626	10,672	46	11,071
Election fees	1,500	-	(1,500)	6,958
Register of Deeds	143,100	168,914	25,814	155,964
Concealed weapon permit	20,000	34,943	14,943	37,682
Impound fee	2,000	3,810	1,810	6,010
Civil case processing	20,000	24,718	4,718	29,999
Jail telephone fees	8,500	18,186	9,686	4,680
Animal control fees	150	7,361	7,211	9,133
Parks & Recreation fees	56,500	52,879	(3,621)	39,935
Farmer lake fees	11,400	6,247	(5,153)	7,692
Tax and map cards/GIS	2,200	1,960	(240)	2,152
4-H Activities	5,612	14,630	9,018	15,971
Cooperative Extension	16,286	9,795	(6,491)	13,656
Other	208,481	200,481	(8,000)	228,535
Total	<u>624,405</u>	<u>639,299</u>	<u>14,894</u>	<u>715,428</u>

(continue)

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
<b>Sales and Services</b>				
Rents, concessions and fees	46,426	47,451	1,025	46,426
Jail fees	4,000	6,823	2,823	8,326
Ambulance fees	4,000	26,561	22,561	4,533
EMS source collections	775,005	732,081	(42,924)	724,236
Health department fees	657,785	987,763	329,978	747,966
Senior fees	139,816	169,757	29,941	113,182
Library fees	21,725	12,686	(9,039)	13,927
Detention center fees	177,764	49,571	(128,193)	141,218
Guilford Mills reimbursement	14,000	20,069	6,069	15,879
Other	14,490	9,358	(5,132)	10,551
Total	1,855,011	2,062,120	207,109	1,826,244
Interest on investments	8,921	27,193	18,272	16,539
Miscellaneous				
Other	24,876	72,056	(96,932)	98,320
Total	24,876	72,056	(96,932)	98,320
Total Revenues	25,725,092	24,305,791	(1,563,413)	22,889,707
<b>Expenditures</b>				
General Government:				
Governing Body				
Salaries and employee benefits	57,932	57,424	508	54,970
Other operating expenditures	12,180	10,594	1,586	3,810
Total	70,112	68,018	2,094	58,780
Administration				
Salaries and employee benefits	245,242	243,266	1,976	211,408
Other operating expenditures	88,690	79,988	8,702	65,066
Total	333,932	323,254	10,678	276,474
Board of Elections				
Salaries and employee benefits	74,536	76,040	(1,504)	76,730
Other operating expenditures	51,885	49,373	2,512	50,631
Capital Outlay	5,000	-	5,000	-
Total	131,421	125,413	6,008	127,361
Finance				
Salaries and employee benefits	215,924	206,837	9,087	187,577
Other operating expenditures	18,193	7,782	10,411	10,041
Capital Outlay	80,100	-	80,100	-
Total	314,217	214,619	99,598	197,618
Tax Office				
Salaries and employee benefits	279,417	252,393	27,024	267,723
Other operating expenditures	200,250	204,949	(4,699)	211,701
Capital Outlay	25,000	3,408	21,592	4,046
Total	504,667	460,750	43,917	483,470

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
Register of Deeds				
Salaries	130,102	127,279	2,823	124,841
Other operating expenditures	63,674	65,129	(1,455)	52,539
Capital Outlay	5,155	740	4,415	-
Total	198,931	193,148	5,783	177,380
Court Facilities				
Other operating expenditures	49,200	49,184	16	38,478
Total	49,200	49,184	16	38,478
Public Facilities				
Salaries and employee benefits	203,439	203,403	36	213,839
Other operating expenditures	335,049	314,614	20,435	275,112
Capital Outlay	223,689	222,038	1,651	476,026
Total	762,177	740,055	22,122	964,977
Information Technology				
Salaries and employee benefits	54,035	54,154	(119)	51,968
Other operating expenditures	17,660	8,231	9,429	4,289
Capital Outlay	-	-	-	4,402
Total	71,695	62,385	9,310	60,659
Nondepartmental				
Health insurance-retirees	92,275	99,831	(7,556)	107,494
Unemployment insurance	25,000	10,310	14,690	1,519
Professional Services	279,121	91,638	187,483	129,419
Supplies	5,000	2,797	2,203	7,560
Maintenance and repairs	9,430	7,091	2,339	5,401
Advertising	2,000	748	1,252	935
Dues and subscription	22,030	27,762	(5,732)	14,202
Insurance bond	308,700	310,053	(1,353)	275,925
Customer Service Agreement	96,850	96,839	11	94,018
Wellness benefits/ activities	22,500	7,180	15,320	3,137
County Facility	1,500	1,009	491	1,439
Copier Rental Fee	10,660	9,794	866	11,469
Total	875,066	665,052	210,014	652,518
Total General Government	3,311,418	2,901,878	409,540	3,037,715
Public safety:				
Sheriff				
Salaries	2,035,427	1,968,902	66,525	1,685,821
Other operating expenditures	435,010	329,752	105,258	285,501
Capital Outlay	164,205	170,017	(5,812)	163,467
Total	2,634,642	2,468,671	165,971	2,134,789
Jail				
Salaries and employee benefits	909,063	855,790	53,273	747,977
Other operating expenditures	491,671	483,650	8,021	507,001
Total	1,400,734	1,339,440	61,294	1,254,978

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

Exhibit B-1  
(continued)

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management				
Salaries and employee benefits	66,653	66,724	(71)	64,854
Other operating expenditures	77,191	80,215	(3,024)	23,107
Capital Outlay	4,594	4,594	-	-
Total	148,438	151,533	(3,095)	87,961
911 communications				
Salaries and employee benefit	487,846	460,078	27,768	419,048
Other operating expenditures	28,861	41,737	(12,876)	48,472
Capital Outlay	8,000	-	8,000	2,100
Total	524,707	501,815	22,892	469,620
School resource officer				
Salaries and employee benefits	106,650	99,323	7,327	100,314
Other operating expenditures	9,940	4,175	5,765	5,129
Total	116,590	103,498	13,092	105,443
Inspections				
Salaries and employee benefit	118,448	87,142	31,306	117,765
Other operating expenditures	16,416	32,281	(15,865)	38,342
Total	134,864	119,423	15,441	156,107
Emergency medical services				
Salaries and employee benefits	1,444,275	1,502,328	(58,053)	1,302,033
Other operating expenditures	412,244	351,219	61,025	237,081
Capital outlay	178,648	131,917	46,731	-
Total	2,035,167	1,985,464	49,703	1,539,114
Coroner				
Professional services	6,000	9,534	(3,534)	3,000
Autopsy	4,000	1,750	2,250	6,500
Total	10,000	11,284	(1,284)	9,500
Total Public Safety	7,005,142	6,681,128	324,014	5,757,512
Environmental Protection				
Soil and water conservation service				
Salaries and employee benefits	94,587	94,464	123	89,949
Other operating expenditures	9,312	7,418	1,894	5,754
Total	103,899	101,882	2,017	95,703
Total Environmental Protection	103,899	101,882	2,017	95,703

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017		Variance	2016
	Budget	Actual	Positive (Negative)	Actual
Economic and Physical Development:				
Economic Development				
Other operating expenditures	186,652	158,125	28,527	24,021
Total	186,652	158,125	28,527	24,021
Extension Service				
Salaries and employee benefits	257,782	238,837	18,945	164,444
Other operating expenditures	50,755	38,255	12,500	38,177
Total	308,537	277,092	31,445	202,621
Planning Board				
Salaries and employee benefits	55,617	54,401	1,216	52,443
Other operating expenditures	12,195	9,928	2,267	7,181
Total	67,812	64,329	3,483	59,624
Total Economic and Physical Develop	563,001	499,546	63,455	286,266
Human services:				
Health				
Salaries and employee benefits	2,240,090	2,037,976	202,114	1,918,784
Other operating expenditures	600,089	525,678	74,411	556,221
Capital outlay	-	20,713	(20,713)	-
Total	2,840,179	2,584,367	255,812	2,475,005
Mental Health				
Alcohol rehabilitation	10,871	10,870	1	7,560
Alamance - Caswell Area Mental Health	115,061	115,061	-	115,061
Total	125,932	125,931	1	122,621
Animal control				
Salaries and employee benefits	78,259	81,334	(3,075)	75,101
Other operating expenditures	148,500	134,525	13,975	127,855
Total	226,759	215,859	10,900	202,956
Social Services Administration				
Salaries	2,319,306	2,222,438	96,868	2,068,985
Other operating expenditures	344,501	234,056	110,445	251,319
Capital outlay	100,588	97,882	2,706	108,842
Total	2,764,395	2,554,376	210,019	2,429,146
Purchased Services				
Day care services	431,354	435,595	(4,241)	415,382
Smart start-child daycare	103,675	111,811	(8,136)	107,170
State boarding home programs	74,448	69,711	4,737	38,710
E-funds	11,124	8,042	3,082	8,222
Total	620,601	625,159	(4,558)	569,484

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

Exhibit B-1  
(continued)

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
<b>JOBS</b>				
Supportive Services	29,500	12,729	16,771	968
Total	29,500	12,729	16,771	968
 Aid to families with dependent children				
Program payments	201,132	134,289	66,843	158,688
 General Aid				
Program Payments	239,259	271,737	(32,478)	247,237
 Medical assistance				
Program payments	10,208	2,413	7,795	2,068
 Other count assistance				
Fuel emergencies	254,197	218,870	35,327	246,308
Total	254,197	218,870	35,327	246,308
 Section 8 Housing Authority				
Salaries and employee benefits	128,428	124,393	4,035	118,665
Other operating expenditures	27,676	22,254	5,422	21,626
Housing assistance payments	860,072	884,704	(24,632)	854,289
Total	1,016,176	1,031,351	(15,175)	994,580
 Nutrition program				
Salaries and employee benefits	208,398	208,157	241	195,020
Other operating expenditures	250,585	215,253	35,332	206,095
Capital Outlay	10,000	2,026	7,974	-
Total	468,983	425,436	43,547	401,115
 Senior Center				
Other operating expenditures	261,533	365,237	(103,704)	159,989
Total	261,533	365,237	(103,704)	159,989
 SHIP Grant				
Other operating expenditures	3,700	-	3,700	1,200
 DJJDP				
Salaries and employee benefit	81,344	81,147	197	80,055
Other operating expenditures	31,243	23,899	7,344	23,361
Capital Outlay	-	-	-	-
Total	112,587	105,046	7,541	103,416
 Family Services				
Salaries and employee benefits	117,905	124,613	(6,708)	204,605
Other operating expenditures	56,515	57,256	(741)	31,489
Total	174,420	181,869	(7,449)	236,094

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
Special appropriations				
Aging Program	263,000	240,653	22,347	177,826
Caswell Parish, INC	10,000	20,833	(10,833)	10,000
Cooperative Forestry	66,549	71,299	(4,750)	65,911
CCR&R partnership	3,000	3,000	-	3,000
Caswell Historical Society	2,500	2,500	-	2,500
Administration	21,890	22,064	(174)	15,543
Total	366,939	360,349	6,590	274,780
 Total Human Services	 9,716,500	 9,215,018	 501,482	 8,625,655
 Cultural and Recreational:				
Library				
Salaries and employee benefits	242,027	236,368	5,659	230,877
Other operating expenditures	88,936	86,298	2,638	97,405
Capital Outlay	-	-	-	-
Total	330,963	322,666	8,297	328,282
 Recreation				
Salaries and employee benefits	158,366	158,332	34	115,757
Other operating expenditures	139,691	118,381	21,310	84,918
Total	298,057	276,713	21,344	200,675
 Farmer Lake				
Salaries and employee benefits	49,189	40,985	8,204	39,202
Other operating expenditures	16,600	11,583	5,017	8,799
Capital Outlay	-	-	-	-
Total	65,789	52,568	13,221	48,001
 Other				
Art Council	2,500	2,500	-	2,500
 Total Cultural and Recreational	697,309	654,447	42,862	579,458
 Education:				
Public School				
Current Expense	2,600,000	2,600,000	-	2,469,413
Capital Outlay	465,000	465,000	-	300,000
Teacher Supplement	300,000	300,000	-	231,000
Piedmont Community College				
Current Expense	273,060	273,060	-	224,730
Capital Outlay	154,180	154,180	-	40,050
Total Education	3,792,240	3,792,240	-	3,265,193

**Caswell County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
Debt service:				
Principal	1,268,566	1,268,545	21	1,049,095
Interest payments	319,699	319,698	1	300,761
Debt issuance cost	-	-	-	950
Total debt service	<u>1,588,265</u>	<u>1,588,243</u>	<u>22</u>	<u>1,350,806</u>
Total expenditures	<u>26,777,774</u>	<u>25,434,382</u>	<u>1,343,392</u>	<u>22,998,308</u>
Revenue over (under) expenditures	<u>(1,052,682)</u>	<u>(1,128,591)</u>	<u>(75,909)</u>	<u>(108,601)</u>
Other financing sources (uses):				
Loan Proceeds	160,205	160,205	-	411,217
Transfers from other funds				
School Capital reserve fund	722,600	722,600	-	569,500
Emergency telephone system fund	55,565	55,565	-	55,565
Water Capital Project	-	206	206	-
Senior Center Project	-	16,973	16,973	-
Total	<u>778,165</u>	<u>795,344</u>	<u>17,179</u>	<u>625,065</u>
Transfers to other funds				
School capital reserve fund	(807,300)	(807,868)	(568)	(765,323)
Special fire districts fund	(574,004)	(574,004)	-	(31,500)
Detention Center Project	-	(22,294)	(22,294)	-
County Building Fund	(1,791)	(5,922)	(4,131)	-
School Project Fund	-	(426)	(426)	-
Revaluation fund	(30,000)	(30,000)	-	(30,000)
Total	<u>(1,413,095)</u>	<u>(1,440,514)</u>	<u>(27,419)</u>	<u>(826,823)</u>
Appropriated fund balance	<u>1,527,407</u>	<u>-</u>	<u>(1,527,407)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>1,052,682</u>	<u>(484,965)</u>	<u>(1,537,647)</u>	<u>209,459</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>(1,613,556)</u>	<u>\$ (1,613,556)</u>	<u>100,858</u>
Fund balance- July 1		7,259,177		7,150,747
Restatement of fund balance (see Note X)		<u>-</u>		<u>7,572</u>
Fund balance- June 30		<u>\$ 5,645,621</u>		<u>\$ 7,259,177</u>

**Caswell County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts for the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ 300	\$ 173	\$ (127)	\$ 225
Total revenues	300	173	(127)	225
Expenditures:				
General government				
Revaluation of tax base	30,300	-	30,300	100,000
Revenues over (under) expenditures	(30,000)	173	30,173	(99,775)
<u>Other financing sources</u>				
Appropriated Fund Balance	-	-	-	-
Transfers from other funds				
General Fund	30,000	30,000	-	30,000
Emergency Telephone Fund	-	-	-	-
Total	30,000	30,000	-	30,000
Excess of Revenues and Other Sources				
Over (Under) Expenditures	\$ -	30,173	\$ 30,173	(69,775)
Fund balance, beginning		67,541		137,316
Fund balance, ending		\$ 97,714		\$ 67,541

**Caswell County, North Carolina**  
**Capital Reserve Fund- School Capital Outlay**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2017**  
**With Comparative Actual Amounts For The Year Ended June 30, 2016**

	2017			2016
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<b><u>REVENUES</u></b>				
Interest on Investments	\$ -	\$ 2,292	\$ 2,292	\$ 1,176
<b><u>EXPENDITURES</u></b>				
Reserve	84,700	-	84,700	-
Education	-	-	-	-
Total Expenditures	84,700	-	84,700	-
Revenues Over (Under) Expenditures	(84,700)	2,292	86,992	1,176
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
General Fund	807,300	807,869	(569)	765,323
Transfers to other funds				
General Fund	(722,600)	(722,600)	-	(569,500)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	84,700	85,269	(569)	195,823
Revenues and other sources over (under) expenditures and other uses	\$ -	87,561	\$ 86,423	196,999
<b><u>FUND BALANCE</u></b>				
Beginning of year- July 1		637,089		440,090
End of year- June 30		\$ 724,650		\$ 637,089

**Caswell County, North Carolina**  
**Special Fire District Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2017**  
**With Comparative Actual Amounts For The Year Ended June 30, 2016**

	2017			2016
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 418,148	\$ 365,545	\$ 67,180	\$ 368,283
Other taxes				
Sales taxes	4,500	5,313	1,034	5,853
Total	<u>422,648</u>	<u>370,858</u>	<u>68,214</u>	<u>374,136</u>
<b><u>EXPENDITURES</u></b>				
Public Safety				
Sales tax distribution	4,500	6,806	-	5,315
Caswell Fire District	21,923	22,285	-	22,142
Travel	1,500	3,000	-	-
Aid to volunteer fire departments	792,504	792,504	-	250,000
Rescue operations	30,000	30,000	-	30,000
Fire tax balance	146,225	94,729	-	96,225
Total Expenditures	<u>996,652</u>	<u>949,324</u>	<u>-</u>	<u>403,682</u>
Revenues Over (Under) Expenditures	(574,004)	(578,466)	68,214	(29,546)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
General Fund	574,004	574,004	-	31,500
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>574,004</u>	<u>574,004</u>	<u>-</u>	<u>31,500</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	(4,462)	<u>\$ 68,214</u>	1,954
Beginning of year- July 1		<u>651</u>		<u>(1,303)</u>
End of year- June 30		<u>\$ (3,811)</u>		<u>\$ 651</u>

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

- **Emergency Telephone System Fund:** This fund is used to set aside money for 911.
- **Revolving Loan Fund:** This fund is used to account for an economic incentive grant that is loaned out.
- **Special Grants Fund:** This fund is used to account for the receipts and disbursement made for various special projects.

## Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities and equipment.

- **Water and Sewer Fund:** This fund is used to account for funds set aside for water and sewer projects.
- **Scattered Site Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing.
- **County Building Fund:** This fund is used to account for funds set aside for county buildings.
- **Equipment and Automation Fund:** This fund is used to account for funds set aside for equipment.
- **Library Development Fund:** This fund is used to account for funds set aside for equipment and capital improvements at the library.
- **School Capital Projects Fund:** This fund is used to account for funds set aside for capital projects for Caswell County Schools.
- **Senior Center Project Fund:** This fund is used to set aside for the construction of the senior center.
- **Detention Center Project Fund:** This capital projects fund is used to account for funds set aside for the construction of the detention center.
- **Courthouse HVAC Project Fund:** This fund is used to account for the HVAC replacement project at the Courthouse.

**Caswell County, North Carolina**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2017**

	Special Revenue Fund			Capital Project Funds									
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Water and Sewer Project	Scattered Grants Fund	County Building Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Detention Center Project Fund	Courthouse HVAC Project Fund	Total
<b>ASSETS</b>													
Current Assets:													
Cash and cash equivalents	\$ 71,117	\$ 25,535	\$ 123,178	\$ -	\$ -	\$ -	\$ 36,940	\$ 18,049	\$ -	\$ -	\$ -	\$ -	\$274,819
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-	13,967	13,967
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	21,216	-	-	-	-	-	-	-	-	-	-	-	21,216
Total assets	<u>\$ 92,333</u>	<u>\$ 25,535</u>	<u>\$ 123,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,940</u>	<u>\$ 18,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$310,002</u>
<b>LIABILITIES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	25,236	-	-	-	-	-	-	4,168	-	-	-	-	29,404
Due to other funds	-	-	-	-	1,367	-	-	-	-	-	-	-	1,367
Total liabilities	<u>25,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,367</u>	<u>-</u>	<u>-</u>	<u>4,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,771</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:													
Restricted:													
Stabilization by State Statute	21,216	-	-	-	-	-	-	-	-	-	-	-	21,216
Public Safety	45,881	-	-	-	-	-	-	-	-	-	-	-	45,881
Economic Development	-	25,535	-	-	-	-	-	-	-	-	-	13,967	39,502
Human Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-	13,881	-	-	-	-	13,881
General Government	-	-	123,178	-	-	-	36,940	-	-	-	-	-	160,118
Unassigned	-	-	-	-	(1,367)	-	-	-	-	-	-	-	(1,367)
Total fund balances	<u>67,097</u>	<u>25,535</u>	<u>123,178</u>	<u>-</u>	<u>(1,367)</u>	<u>-</u>	<u>36,940</u>	<u>13,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,967</u>	<u>279,231</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 92,333</u>	<u>\$ 25,535</u>	<u>\$ 123,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,940</u>	<u>\$ 18,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$310,002</u>

**Caswell County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Special Revenue Fund			Capital Projects Funds									
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Water and Sewer Project Fund	Scattered Grants Fund	County Building Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Detention Center Project Fund	Courthouse HVAC Project Fund	Total
<b>REVENUES</b>													
Restricted intergovernmental	\$ 254,589	\$ 4,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,263	\$ -	\$ -	\$ -	\$ 640,952
Investment earnings	376	-	19	-	-	-	48	40	-	-	-	-	483
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>254,965</u>	<u>4,100</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>	<u>40</u>	<u>382,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>641,435</u>
<b>EXPENDITURES</b>													
Public Safety	360,663	-	-	-	-	-	-	-	-	-	-	-	360,663
Economic Development	-	-	1,975	-	(11,565)	-	-	-	-	-	-	-	(9,590)
Education	-	-	-	-	-	-	-	-	382,263	-	-	-	382,263
Cultural and Recreational	-	-	-	-	-	-	-	9,168	-	-	-	-	9,168
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	892,630	892,630
Total expenditures	<u>360,663</u>	<u>-</u>	<u>1,975</u>	<u>-</u>	<u>(11,565)</u>	<u>-</u>	<u>-</u>	<u>9,168</u>	<u>382,263</u>	<u>-</u>	<u>-</u>	<u>892,630</u>	<u>1,635,134</u>
Revenues over (under) Expenditures	<u>(105,698)</u>	<u>4,100</u>	<u>(1,956)</u>	<u>-</u>	<u>11,565</u>	<u>-</u>	<u>48</u>	<u>(9,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(892,630)</u>	<u>(993,699)</u>
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers- in													
General Fund	-	-	-	-	-	5,922	-	-	426	-	22,294	-	28,642
Transfers-out													
General Fund	(55,565)	-	-	(207)	-	-	-	-	-	(16,973)	-	-	(72,745)
Water and Sewer Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(55,565)</u>	<u>-</u>	<u>-</u>	<u>(207)</u>	<u>-</u>	<u>5,922</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>(16,973)</u>	<u>22,294</u>	<u>-</u>	<u>(44,103)</u>
Change in Fund Balances	<u>(161,263)</u>	<u>4,100</u>	<u>(1,956)</u>	<u>(207)</u>	<u>11,565</u>	<u>5,922</u>	<u>48</u>	<u>(9,128)</u>	<u>426</u>	<u>(16,973)</u>	<u>22,294</u>	<u>(892,630)</u>	<u>(1,037,802)</u>
Fund Balance- July 1	<u>228,360</u>	<u>21,435</u>	<u>125,134</u>	<u>207</u>	<u>(12,932)</u>	<u>(5,922)</u>	<u>36,892</u>	<u>23,009</u>	<u>(426)</u>	<u>16,973</u>	<u>(22,294)</u>	<u>906,597</u>	<u>1,317,033</u>
Fund Balance- June 30	<u>\$ 67,097</u>	<u>\$ 25,535</u>	<u>\$ 123,178</u>	<u>\$ -</u>	<u>\$ (1,367)</u>	<u>\$ -</u>	<u>\$ 36,940</u>	<u>\$ 13,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 279,231</u>

**Caswell County, North Carolina**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts for the Year ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues:				
PSAP Funds	\$ 254,734	\$ 254,589	\$ (145)	\$ 245,776
Investment earnings	300	376	76	394
Total Revenues	<u>255,034</u>	<u>254,965</u>	<u>(69)</u>	<u>246,170</u>
<b><u>EXPENDITURES</u></b>				
Public Safety:				
Salaries	85,935	77,587	8,348	78,591
Telephone	15,396	19,053	(3,657)	17,778
Maintenance and repairs	57,150	24,566	32,584	47,850
Small tools/ equipment	27,700	36,665	(8,965)	7,464
Other expenses	74,198	14,871	59,327	17,957
Capital Outlay	<u>392,033</u>	<u>187,921</u>	<u>204,112</u>	<u>21,988</u>
Total	<u>652,412</u>	<u>360,663</u>	<u>291,749</u>	<u>191,628</u>
Total Expenditures	<u>652,412</u>	<u>360,663</u>	<u>291,749</u>	<u>191,628</u>
Revenues over (under) expenditures	<u>(397,378)</u>	<u>(105,698)</u>	<u>291,680</u>	<u>54,542</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Fund balance appropriated	452,943	-	(452,943)	-
Transfers from other funds				
General Fund	-	-	-	-
Transfers to other funds				
General Fund	<u>(55,565)</u>	<u>(55,565)</u>	<u>-</u>	<u>(55,565)</u>
Total Other Financing Sources (uses)	<u>397,378</u>	<u>(55,565)</u>	<u>(452,943)</u>	<u>(55,565)</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures	<u>\$ -</u>	<u>(161,263)</u>	<u>\$ (161,263)</u>	<u>(1,023)</u>
Fund balance, beginning		<u>228,360</u>		<u>229,383</u>
Fund balance, ending		<u>\$ 67,097</u>		<u>\$ 228,360</u>

**Caswell County, North Carolina**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts for the Year Ended June 30, 2016**

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Explanation for transfers				
Transfers to adjust beginning balance to actual		\$ -		\$ -
Transfer to repay General Fund for expense paid		\$ (55,565)		\$ (55,565)

Emergency Telephone System Unspent Balance

Amount reported above are different from PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (161,263)
Plus: Transfers from General Fund to adjust fund balance to the proper beginning balance	
Less: Accrual Differences	520
Plus: Grant Expenditure - Capital Outlay	186,087
Net Change per PSAP Revenue- Expenditure Report	25,344
Beginning Balance, PSAP Revenue- Expenditure Report	228,407
Ending Balance, PSAP Revenue- Expenditure Report	\$ 253,751

**Caswell County, North Carolina**  
**Revolving Loan Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues:				
USDA Rural Development Business Grant	\$ 150,000	\$ -	\$ (150,000)	\$ -
Loan Repayment	-	4,100	4,100	28,500
Miscellaneous income	-	-	-	-
Total Revenues	150,000	4,100	(145,900)	28,500
<b><u>EXPENDITURES</u></b>				
Economic Development	150,000	-	150,000	27,925
Revenues over (under) expenditures	-	4,100	4,100	575
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	4,100	\$ 4,100	575
<b><u>FUND BALANCE</u></b>				
Fund balance, beginning- July 1		21,435		20,860
Fund balance, ending - June 30		\$ 25,535		\$ 21,435

**Caswell County, North Carolina**  
**Special Grant Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	19	19	19
Miscellaneous income	-	-	-	-
Total Revenues	-	19	19	19
<b><u>EXPENDITURES</u></b>				
General Government	-	1,975	(1,975)	-
Total expenditures				
Revenues over (under) expenditures	-	(1,956)	(1,956)	19
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Total Other Financing Sources (uses)				
Water and Sewer Fund	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and other uses	\$ -	(1,956)	\$ (1,956)	19
Fund balance, beginning- July 1		125,134		125,115
Fund balance, ending - June 30		\$ 123,178		\$ 125,134

**Caswell County, North Carolina**  
**Water and Sewer Capital Project Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2017**  
**With Comparative Actual Amounts For The Year Ended June 30, 2016**

	2017			2016
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Total Revenues	-	-	-	-
<b><u>EXPENDITURES</u></b>				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from (to) other funds				
Special Grants Fund	-	-	-	-
General Fund	-	(207)	207	-
Appropriated fund balance	-	-	-	-
Total	-	(207)	207	-
Excess revenues and other sources over (under) expenditures and other uses	\$ -	(207)	\$ 207	-
Beginning of year- July 1		207		207
End of year- June 30		\$ -		\$ 207

**Caswell County, North Carolina**  
**Scattered Site Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Community Development Block Grant					
2011 Scattered Site	\$ 400,000	\$ 292,078	\$ -	\$ 292,078	\$ (107,922)
2010 Single Family Rehab	200,000	244,187	-	244,187	44,187
2013 Single Family Rehab	170,000	99,620	-	99,620	(70,380)
Investment earnings	-	102	-	102	102
Total Revenue	<u>770,000</u>	<u>635,987</u>	<u>-</u>	<u>635,987</u>	<u>(134,013)</u>
<u>EXPENDITURES</u>					
Economic and physical development					
Community development block grant					
2011 Scattered site					
Administration		19,854	-	19,854	
Rehabilitation		272,500	-	272,500	
Total	<u>400,000</u>	<u>292,354</u>	<u>-</u>	<u>292,354</u>	<u>107,646</u>
SFR					
Administration		38,357	-	38,357	
Rehabilitation		207,503	-	207,503	
Total	<u>200,000</u>	<u>245,860</u>	<u>-</u>	<u>245,860</u>	<u>(45,860)</u>
2013 Single Family Rehab					
Administration		1,700	-	1,700	
Rehabilitation		109,487	(11,565)	97,922	
Total	<u>170,000</u>	<u>111,187</u>	<u>(11,565)</u>	<u>99,622</u>	<u>70,378</u>
Total Expenditures	<u>770,000</u>	<u>649,401</u>	<u>(11,565)</u>	<u>637,836</u>	<u>132,164</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (13,414)</u>	11,565	<u>\$ (1,849)</u>	<u>\$ (1,849)</u>
Fund balance, beginning			<u>(12,932)</u>		
Fund balance, ending			\$ (1,367)		

**Caswell County, North Carolina**  
**County Building Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Investments on earning	\$ -	\$ -	\$ -	\$ -
Sales and service	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
<b><u>EXPENDITURES</u></b>				
Capital Outlay				
County Buildings	-	-	-	1,495
Revenues over (under) over expenditures	-	-	-	(1,495)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds				
General Fund	-	5,922	-	-
Total other financing sources	-	5,922	-	-
Revenues and other financing sources (uses) over expenditures	\$ -	5,922	\$ (322)	(1,495)
Fund balance, beginning -July 1		(5,922)		(4,427)
Fund balance, ending- June 30		\$ -		\$ (5,922)

**Caswell County, North Carolina**  
**Equipment and Automotive Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Interest on investments	\$ -	\$ 48	\$ 48	\$ 50
<b><u>EXPENDITURES</u></b>				
General government				
Equipment	-	-	-	-
Revenues over (under) expenditures	-	48	48	50
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	48	<u>\$ -</u>	\$ 50
Fund balance, beginning		<u>36,892</u>		<u>36,842</u>
Fund balance, ending		<u>\$ 36,940</u>		<u>\$ 36,892</u>

**Caswell County, North Carolina**  
**Library Development Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Interest on Investments	\$ -	\$ 40	\$ 40	\$ 42
Miscellaneous	-	-	-	-
Total revenues	-	40	40	42
<b><u>EXPENDITURES</u></b>				
Cultural and recreational Library	-	9,168	(9,168)	-
Revenues over (under) expenditures	-	(9,128)	9,208	42
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
General Fund	-	-	-	-
Total other financing sources	-	-	-	-
Excess revenues and other Sources Over (under)				
Expenditures and other uses	\$ -	(9,128)	\$ 9,208	42
Fund balance, beginning		23,009		22,967
Fund balance, ending		\$ 13,881		\$ 23,009

**Caswell County, North Carolina**  
**School Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Amounts For The Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental				
Public School Building Capital Fund	\$ -	\$ 382,263	\$ 382,263	\$ 103,662
<b><u>EXPENDITURES</u></b>				
Education	-	382,263	(382,263)	103,662
Revenues over (under) expenditures	-	-	-	-
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	-	-	-	-
Transfer from other funds				
General Fund	-	426	426	-
Total Other Financing Sources (uses)	-	426	426	-
Revenues and other sources				
over (under) expenditures and other uses	\$ -	426	\$ 426	-
Fund balance, beginning -July 1		(426)		(426)
Fund balance, ending- June 30		\$ -		\$ (426)

**Caswell County, North Carolina**  
**Senior Center Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Amounts For The Year Ended June 30, 2016**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Closed Out Project	Actual Total to Date	Variance Positive (Negative)
<b><u>REVENUES</u></b>						
Restricted intergovernmental						
Fountain grant	\$ 2,000,000	\$ 2,000,000	\$ -	\$(2,000,000)	\$ -	\$ -
Interest on investments	-	95,189	-	(95,189)	-	95,189
Total Revenue	<u>2,000,000</u>	<u>2,095,189</u>	<u>-</u>	<u>(2,095,189)</u>	<u>-</u>	<u>95,189</u>
<b><u>EXPENDITURES</u></b>						
Capital Outlay						
Administration & Engineering fees	143,000	137,093	-	(137,093)	-	5,907
Construction	1,068,513	1,068,512	-	(1,068,512)	-	1
Site Work & Utilities	625,077	625,076	-	(625,076)	-	1
Furnishing & equipment	132,979	109,275	-	(109,275)	-	23,704
Miscellaneous contracts	4,950	4,950	-	(4,950)	-	-
Contingency	12,981	-	-	-	-	12,981
Miscellaneous	10,000	11,492	-	(11,492)	-	(1,492)
Capital Outlay	93,525	121,818	-	(121,818)	-	(28,293)
Total	<u>2,091,025</u>	<u>2,078,216</u>	<u>-</u>	<u>(2,078,216)</u>	<u>-</u>	<u>12,809</u>
Revenues over (under) expenditures	\$ (91,025)	\$ 16,973	-	\$ (16,973)	\$ -	\$ 107,998
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Transfer to General Fund	91,025	-	(16,973)	-	(16,973)	(107,998)
Total Other Financing Sources (Uses)	<u>91,025</u>	<u>-</u>	<u>(16,973)</u>	<u>-</u>	<u>(16,973)</u>	<u>(107,998)</u>
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 16,973</u>	<u>(16,973)</u>	<u>\$ (16,973)</u>	<u>\$ (16,973)</u>	<u>\$ 16,973</u>
Fund balance, beginning			16,973			
Fund balance, ending			<u>\$ -</u>			

**Caswell County, North Carolina**  
**Detention Center Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Amounts For The Year Ended June 30, 2016**

		Actual				
	Project	Actual	Actual	Closed	Actual	Variance
	Authorization	Prior	Current	Out	Total	Positive
		Years	Year	Project	to Date	(Negative)
<b>REVENUES</b>						
Restricted Intergovernmental	\$ 197,474	\$ 82,611	\$ -	\$ (82,611)	\$ -	\$ (114,863)
Interest on investments	17,578	17,712	-	(17,712)	-	134
Miscellaneous revenue	4,316	96,705	-	(96,705)	-	92,389
Total revenues	219,368	197,028	-	(197,028)	-	(22,340)
<b>EXPENDITURES</b>						
Capital outlay						
Administration & engineering fees	642,261	642,260	-	(642,260)	-	1
Construction Management	238,482	238,482	-	(238,482)	-	-
Construction Phase	7,663,470	7,663,430	-	(7,663,430)	-	40
Furnishing and equipment	336,215	336,215	-	(336,215)	-	-
Total	8,880,428	8,880,387	-	(8,880,387)	-	41
Bond issuance costs	79,965	79,965	-	(79,965)	-	-
Total Expenditures	8,960,393	8,960,352	-	(8,960,352)	-	41
Revenues over (under) expenditures	(8,741,025)	(8,763,324)	-	8,763,324	-	(22,381)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from (to) General Fund						
General fund	594,971	594,971	22,294	(617,265)	-	22,294
General fund	(420,946)	(420,941)	-	420,941	-	(5)
Bonds issued	8,567,000	8,567,000	-	(8,567,000)	-	-
Total Other Financing Sources (Uses)	8,741,025	8,741,030	22,294	(8,763,324)	-	22,289
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	\$ -	\$ (22,294)	22,294	\$ -	\$ -	\$ (92)
Fund balance, beginning			(22,294)			
Fund balance, ending			\$ -			

**Caswell County, North Carolina**  
**Courthouse HVAC Project**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**  
**With Comparative Actual Amounts For the Year Ended June 30, 2016**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-
Expenditures:					
Economic and physical development					
Courthouse HVAC					
Administration	74,000	50,248	17,500	67,748	6,252
Other Legal and Fiscal Cost	27,965	26,264	-	26,264	1,701
Other Tools and Equipment	-	1,891	756	2,647	(2,647)
Loan Origination	-	-	-	-	-
Construction Phase	883,035	-	874,374	874,374	8,661
Total	985,000	78,403	892,630	971,033	13,967
Revenues over (under) expenditures	(985,000)	(78,403)	(892,630)	(971,033)	(13,967)
Other Financing Sources (Uses)					
Loan Proceeds	985,000	985,000	-	985,000	-
Total other financing sources	985,000	985,000	-	985,000	-
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ 906,597	\$ (892,630)	\$ 13,967	\$ (13,967)
Fund balance, beginning			906,597		
Fund balance, ending			\$ 13,967		

## **ENTERPRISE FUNDS**

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, where the government's council has decided that the periodic determination of net income is appropriate for the accountability

**Caswell County, North Carolina**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2017**  
**With Comparative Amounts For The Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Tire disposal tax		\$ 31,605		\$ 31,302
White goods disposal		7,282		8,029
Solid waste disposal tax		18,898		16,028
Charges for service - user fees		587,047		780,978
Tipping fees		91,925		79,805
Recycling		13,598		12,033
Interest on interfund loan		-		749
Interest on investments		428		445
Miscellaneous Revenue		1,883		673
Total Revenues	\$ 923,086	752,666	\$ (170,420)	930,042
<b>EXPENDITURES</b>				
Operations				
Salaries		126,650		104,355
Other expenses		694,324		698,815
Capital Outlay		21,349		647
Total expenditures	1,162,689	842,323	320,366	803,817
Revenues over (under) expenditures	(239,603)	(89,657)	149,946	126,225
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	-	-	-	-
Gain (loss) on sale of capital assets	4,000	-	(4,000)	(10,843)
Total other financing sources (uses)	4,000	-	(4,000)	(10,843)
Revenues over (under) sources and other uses	\$ (235,603)	\$ (89,657)	\$ 145,946	\$ 115,382
<b>RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ (89,657)		\$ 115,382
Depreciation		(40,052)		(42,494)
Capital Outlay		-		-
Increase in deferred outflows of resources - pensions		18,522		2,978
Increase in net pension liability		(21,378)		(2,950)
Decrease in deferred inflows of resources - pensions		2,066		
(Increase) decrease in accrued vacation payable		(1,603)		(1,706)
(Increase) decreased in other postemployment benefits		(2,390)		(3,077)
Net income (loss)		\$ (134,492)		\$ 68,133

**Caswell County, North Carolina**  
**Caswell Department of Transportation Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2017**  
**With Comparative Amounts For The Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Changes for service- user fees	\$ 486,612	\$ 525,151	\$ 38,539	\$ 507,638
Interest on investment	200	221	21	300
Miscellaneous	-	-	-	-
Total Revenues	<u>486,812</u>	<u>525,372</u>	<u>38,560</u>	<u>507,938</u>
<b>EXPENDITURES</b>				
Administration				
Salaries	74,936	63,203	11,733	55,495
Other expenses	82,407	75,133	7,274	79,131
Total	<u>157,343</u>	<u>138,336</u>	<u>19,007</u>	<u>134,626</u>
Operations				
Salaries	197,894	192,075	5,819	181,534
Other expenses	109,541	66,112	43,429	60,409
Capital outlay	58,000	54,571	3,429	46,270
Total	<u>365,435</u>	<u>312,758</u>	<u>52,677</u>	<u>288,213</u>
Total expenditures	<u>522,778</u>	<u>451,094</u>	<u>71,684</u>	<u>422,839</u>
Revenues over (under) expenditures	<u>(35,966)</u>	<u>74,278</u>	<u>110,244</u>	<u>85,099</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	-	-	-	-
Sale of capital assets	6,000	7,134	1,134	6,909
Total other financing sources (uses)	<u>6,000</u>	<u>7,134</u>	<u>1,134</u>	<u>6,909</u>
Revenues over (under) sources and other uses	<u>\$ (29,966)</u>	<u>\$ 81,412</u>	<u>\$ 111,378</u>	<u>\$ 92,008</u>
<b>RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		81,412		92,008
Capital Outlay		54,571		46,270
Depreciation		(73,565)		(83,431)
Increase in deferred outflows of resources - pensions		32,402		16,615
Increase in net pension liability		(37,397)		(5,161)
Decrease in deferred inflows of resources - pensions		3,615		
(Increase) decrease in accrued vacation payable		(523)		(1,146)
(Increase) decreased in other postemployment benefits		(3,596)		(5,391)
Net income (loss)		<u>\$ 56,919</u>		<u>\$ 59,764</u>

## AGENCY FUNDS

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Agency Funds are used to account for assets held by the County as an agent for individuals and local governments.

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- **Special Services Fund:** This agency fund is used to account for the funds held by the County Department of Social Services for the benefit of certain individuals in the County.
- **Drug Fund:** This agency fund is used in account for receipts and disbursements of certain sheriff department funds.
- **Fines and Forfeitures and Floodplain Mapping Fund:** This agency fund is used to account for fines and forfeitures collected by the County that are required to be turned over to the Caswell County Board of Education and the NC State Treasurer.
- **Property Tax Fund:** This agency fund is used to account for the proceeds of the Ad Valorem taxes that are collected by the County on behalf of municipalities within the County.

**Caswell County, North Carolina**  
**Agency Fund**  
**Combining Statement of Net Assets**  
**June 30, 2017**

	<b>Agency Fund</b>				<b>Total</b>
	<b>Social Service Fund</b>	<b>Drug Fund</b>	<b>Fines and Forfeitures &amp; DMV Interest Fund</b>	<b>Property Tax Fund</b>	<b>June 30, 2017</b>
<b>ASSETS</b>					
Cash	\$ 20,491	\$ 10,038	\$ -	\$ (11,373)	\$ 19,156
Accounts receivable	-	-	24,280	-	24,280
<b>Total Assets</b>	<b>\$ 20,491</b>	<b>\$ 10,038</b>	<b>\$ 24,280</b>	<b>\$ (11,373)</b>	<b>\$ 43,436</b>
<b>LIABILITIES AND NET POSITION</b>					
<b>Liabilities:</b>					
Miscellaneous liabilities	\$ 20,491	\$ 10,035	\$ 24,280	\$ (11,373)	\$ 43,433
<b>Total Liabilities</b>	<b>\$ 20,491</b>	<b>\$ 10,035</b>	<b>\$ 24,280</b>	<b>\$ (11,373)</b>	<b>\$ 43,433</b>
<b>Net Position</b>					
Assets held in trust for beneficiary benef	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities and Fund Balances</b>	<b>\$ 20,491</b>	<b>\$ 10,035</b>	<b>\$ 24,280</b>	<b>\$ (11,373)</b>	<b>\$ 43,433</b>

**Caswell County, North Carolina**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Agency Funds**  
**For Year Ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u><b>Social Service Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 10,628	\$ 267,747	\$ 257,884	\$ 20,491
Liabilities				
Accounts Payable	\$ 10,628	\$ 267,747	\$ 257,884	\$ 20,491
<u><b>Drug Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 10,036	\$ 15,002	\$ 15,000	\$ 10,038
Liabilities				
Miscellaneous Liabilities	\$ 10,033	\$ 15,002	\$ 15,000	\$ 10,035
<u><b>Fines and Forfeitures and Floodplain Mapping Fund</b></u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	4,205	91,503	71,428	24,280
Total	\$ 4,205	\$ 91,503	\$ 71,428	\$ 24,280
Liabilities				
Fines for Forfeitures due to others	\$ 4,205	\$ 78,758	\$ 59,756	\$ 23,207
Floodplain mapping fees due to others	-	7,010	6,420	590
ROD deed of trust fees due to others	-	2,549	2,334	215
Archives/Cultural fees due to others	-	3,186	2,918	268
Total	\$ 4,205	\$ 91,503	\$ 71,428	\$ 24,280
<u><b>Property Tax Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ (12,459)	\$ 376,614	\$ 375,528	\$ (11,373)
Liabilities				
Intergovernmental payable	\$ (12,459)	\$ 376,614	\$ 375,528	\$ (11,373)
<u><b>Total- All Agency Funds</b></u>				
Assets				
Cash and cash equivalents	\$ 8,205	\$ 659,363	\$ 648,412	\$ 19,156
Accounts Receivable	4,205	91,503	71,428	24,280
Total Assets	\$ 12,410	\$ 750,866	\$ 719,840	\$ 43,436
Liabilities				
Accounts payable	\$ 20,661	\$ 282,749	\$ 272,884	\$ 30,526
Intergovernmental Payable	(8,254)	468,117	446,956	12,907
Total Liabilities	\$ 12,407	\$ 750,866	\$ 719,840	\$ 43,433

## **OTHER SCHEDULES**

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This schedule contains additional information required on property taxes.

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- **Schedule of Ad Valorem Tax Receivable**
- **Analysis of Current Tax Levy – County-Wide Levy**

**Caswell County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2017**

Exhibit F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2017	\$ -	\$ 11,031,997	\$ 10,870,790	\$ 161,207
2016	193,240	3,877	102,496	94,621
2015	126,635	3,647	45,255	85,027
2014	108,534	840	23,897	85,477
2013	89,784	-	12,801	76,983
2012	74,405	-	11,580	62,825
2011	65,102	-	8,191	56,911
2010	47,209	-	6,609	40,600
2009	42,261	-	4,099	38,162
2008	43,972	-	4,068	39,904
2007	35,837	-	35,837	-
Totals	\$ <u>826,979</u>	\$ <u>11,040,361</u>	\$ <u>11,125,623</u>	\$ <u>741,717</u>
Less Allowance for Doubtful Accounts				<u>(439,000)</u>
Taxes Receivable (Net)				\$ <u>302,717</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund		\$ 11,174,279		
Interest /penalties/adjustments		<u>(14,361)</u>		
				\$ 11,159,918
Amounts written off for tax year 2006-2007 per statute of limitations				<u>(34,295)</u>
Total Collections and Credits				\$ <u>11,125,623</u>

**Caswell County**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**June 30, 2017**

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy County- Wide	<u>\$ 1,624,751,988</u>	0.679	<u>\$ 11,032,066</u>	<u>\$ 9,882,801</u>	<u>\$ 1,149,265</u>
Discoveries and Abatements	<u>(10,162)</u>	0.679	<u>(69)</u>	<u>(69)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,624,741,826</u></u>				
Net Levy			11,031,997	9,882,732	1,149,265
Uncollected taxes June 30, 2017			<u>161,207</u>	<u>161,207</u>	<u>-</u>
Current years taxes collected			<u><u>\$ 10,870,790</u></u>	<u><u>\$ 9,721,525</u></u>	<u><u>\$ 1,149,265</u></u>
Current levy collection percentage			<u><u>98.54%</u></u>	<u><u>98.37%</u></u>	<u><u>100.00%</u></u>

# **STATISTICAL SECTION**

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## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## **Operating Information**

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

**CASWELL COUNTY, NORTH CAROLINA**  
**NET POSITION BY COMPONENTS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Governmental activities										
Invested in capital assets, net of related debt	\$ 11,215,747	\$ 12,410,816	\$ 12,739,104	\$ 13,347,778	\$ 10,089,638	\$ 14,660,932	\$ 15,272,072	\$ 14,934,637	\$ 13,399,966	\$ 14,471,590
Restricted	11,089	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907	2,633,767
Unrestricted	4,388,487	4,248,895	5,143,018	3,132,651	4,134,622	2,737,716	2,594,371	2,003,197	2,444,131	403,133
Total governmental activities net position	<u>15,615,323</u>	<u>16,659,711</u>	<u>17,909,203</u>	<u>19,232,451</u>	<u>20,927,756</u>	<u>20,777,708</u>	<u>20,667,741</u>	<u>20,053,860</u>	<u>19,464,004</u>	<u>17,508,490</u>
Business-type activities										
Invested in capital assets. Net of related debt	399,746	342,495	289,050	363,093	497,458	549,559	618,427	790,029	699,530	624,618
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,207,368	1,327,084	1,448,996	1,409,580	1,235,478	1,261,232	1,140,117	945,764	1,164,160	1,161,499
Total business-type activities net position	<u>1,607,114</u>	<u>1,669,579</u>	<u>1,738,046</u>	<u>1,772,673</u>	<u>1,732,936</u>	<u>1,810,791</u>	<u>1,758,544</u>	<u>1,735,793</u>	<u>1,863,690</u>	<u>1,786,117</u>
Primary government										
Invested in capital assets, net of related debt	11,615,493	12,753,311	13,028,154	13,710,871	10,587,096	15,210,491	15,890,499	15,724,666	14,099,496	15,096,208
Restricted	11,089	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907	2,633,767
Unrestricted	5,595,855	5,575,979	6,592,014	4,542,231	5,370,100	3,998,948	3,734,488	2,948,961	3,608,291	1,564,632
Total primary government net position	<u>\$ 17,222,437</u>	<u>\$ 18,329,290</u>	<u>\$ 19,647,249</u>	<u>\$ 21,005,124</u>	<u>\$ 22,660,692</u>	<u>\$ 22,588,499</u>	<u>\$ 22,426,285</u>	<u>\$ 21,789,653</u>	<u>\$ 21,327,694</u>	<u>\$ 19,294,607</u>

TABLE 2

**CASWELL COUNTY, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Expenses	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 2,606,514	\$ 2,750,326	\$ 2,369,681	\$ 2,605,238	\$ 2,558,821	\$ 2,776,985	\$ 2,898,539	\$ 2,813,150	\$ 3,062,487	\$ 2,910,099
Public safety	4,664,353	5,167,360	5,337,280	5,226,796	5,421,247	5,895,526	6,364,755	7,244,842	7,153,742	8,598,810
Economic development	481,559	662,332	719,660	444,511	473,281	551,766	831,474	420,330	489,906	560,353
Environmental Protection	73,994	76,770	106,290	92,111	83,539	85,682	85,876	83,689	92,390	106,459
Transportation	-	2,236	-	-	-	-	-	-	-	-
Human Services	10,158,848	9,553,228	9,004,764	8,989,125	9,327,818	9,031,116	9,236,361	8,832,869	8,552,167	9,395,883
Cultural and recreation	698,931	675,516	662,422	689,813	577,194	677,478	789,275	727,816	695,974	795,874
Education	3,192,066	3,592,260	3,544,945	3,169,626	3,018,673	3,048,723	3,056,549	3,277,785	3,368,855	4,174,503
Interest on long-term debt	276,522	239,484	200,573	110,621	314,061	531,384	148,815	308,194	314,513	293,437
Total governmental activities expenses	22,152,787	22,719,512	21,945,615	21,327,841	21,774,634	22,598,660	23,411,644	23,708,675	23,730,034	26,835,418
Business-type activities										
Solid Waste	782,428	807,436	789,064	826,414	834,262	817,753	881,886	844,273	851,066	887,158
Transportation	428,649	401,871	394,927	430,931	403,303	459,391	459,614	473,197	455,083	475,587
Total business-type activities	1,211,077	1,209,307	1,183,991	1,257,345	1,237,565	1,277,144	1,341,500	1,317,470	1,306,149	1,362,745
Total primary government expenses	23,363,864	23,928,819	23,129,606	22,585,186	23,012,199	23,875,804	24,753,144	25,026,145	25,036,183	28,198,163
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	325,096	252,292	243,523	197,907	277,159	225,038	242,258	231,546	505,440	331,023
Public Safety	876,492	1,380,862	1,274,872	1,272,583	924,296	1,183,729	985,080	1,598,840	1,181,754	1,149,681
Transportation	-	-	-	-	-	-	-	22,553	-	-
Economic and Physical Development	25,738	19,215	23,170	10,066	20,721	25,086	16,409	16,094	31,980	26,000
Environmental Protection	-	-	-	-	-	-	-	69,117	-	-
Human Services	1,573,848	1,395,632	1,612,554	1,372,572	1,319,114	1,165,352	1,301,949	1,074,538	882,500	1,333,946
Cultural and recreation	64,433	70,005	88,032	70,393	75,779	68,864	69,643	78,807	71,747	74,368
Education	82,432	82,432	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General government	80,995	15,518	42	8,721	4,789	3,750	1,250	7,794	-	-
Public Safety	313,673	522,855	363,782	500,924	444,248	339,088	470,173	689,838	1,021,213	868,985
Environmental Protection	-	-	-	-	-	-	-	-	24,557	24,658
Economic and Physical Development	20,485	19,041	93,579	19,918	25,109	22,058	92,927	20,959	148,852	61,815
Human Services	5,827,482	5,781,256	5,750,578	5,876,146	6,037,956	5,777,624	5,309,671	5,399,652	5,099,853	4,798,082
Transportation	-	-	-	-	-	-	-	-	122,916	123,592
Cultural and recreation	133,327	127,377	124,699	150,545	135,628	132,199	116,508	142,574	158,459	116,458
Education	-	-	82,432	164,864	82,432	82,432	82,432	-	-	-
Capital grants and contributions										
General government	-	8,325	-	-	-	-	-	-	-	-
Public Safety	-	29,800	-	-	-	-	-	82,611	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	228,023	595,190	857,756	153,822	773,919	253,429	529,754	483,591	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Education	-	-	291,323	-	-	-	-	-	103,662	382,263
Total governmental activities program revenues	9,552,024	10,299,800	10,806,342	9,798,461	10,121,150	9,278,649	9,218,054	9,918,514	9,352,933	9,290,871

**CASWELL COUNTY, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities										
Charges for services:										
Solid Waste	811,217	812,476	835,368	846,978	845,324	837,362	830,230	852,312	872,816	692,570
CDOT	453,936	388,635	340,729	382,325	393,643	449,817	414,671	532,253	507,638	532,285
Operating grants and contributions										
Solid Waste	35,492	43,979								
Total business-type activities program revenues	1,300,645	1,245,090	1,176,097	1,229,303	1,238,967	1,287,179	1,244,901	1,384,565	1,380,454	1,224,855
Total primary government program revenues	10,852,669	11,544,890	11,982,439	11,027,764	11,360,117	10,565,828	10,462,955	11,303,079	10,733,387	10,515,726
Net (expenses)/revenue										
Governmental activities	(12,600,763)	(12,419,712)	(11,139,273)	(11,529,380)	(11,653,484)	(13,320,011)	(14,193,590)	(13,790,161)	(14,377,101)	(17,544,547)
Business-type activities	89,568	35,783	(7,894)	(28,042)	1,402	10,035	(96,599)	67,095	74,305	(137,890)
Total primary government net expenses	(12,511,195)	(12,383,929)	(11,147,167)	(11,557,422)	(11,652,082)	(13,309,976)	(14,290,189)	(13,723,066)	(14,302,796)	(17,682,437)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	9,453,260	9,136,526	9,533,263	9,944,802	10,008,923	9,848,060	10,753,510	11,081,330	10,827,712	11,535,534
Local option sales taxes	4,035,897	3,353,873	2,299,932	2,150,040	2,314,067	2,654,274	2,387,229	2,942,423	2,586,659	3,824,493
Other taxes and licenses	726,145	361,918	362,558	480,200	591,422	357,492	554,097	116,643	444,948	433,926
Grants & Contributions, unrestricted	233,650	248,064	185,470	256,218	200,362	192,202	211,981	-	-	-
Investment earnings, unrestricted	294,289	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445	30,141
Miscellaneous, unrestricted	115,696	66,124	(11,725)	2,910	112,664	226,520	173,294	102,290	(98,091)	72,055
Transfers	-	-	(12,500)	-	100,000	-	-	-	-	-
Total governmental activities	14,858,937	13,285,467	12,388,765	12,852,628	13,348,789	13,290,876	14,083,623	14,245,545	13,779,673	15,896,149
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	55,359	57,785
Investment earnings, unrestricted	28,132	17,991	10,715	10,144	4,753	2,144	4,203	3,222	1,494	649
Miscellaneous, unrestricted	13,748	8,691	14,520	-	33	14,864	(11,324)	-	(3,261)	1,883
Transfers	-	-	-	-	(100,000)	-	-	-	-	-
Total business-type activities	41,880	26,682	25,235	10,144	(95,214)	17,008	(7,121)	3,222	53,592	60,317
Total primary government	14,900,817	13,312,149	12,414,000	12,862,772	13,253,575	13,307,884	14,076,502	14,248,767	13,833,265	15,956,466
<b>Changes in Net Position</b>										
Governmental activities	2,258,174	865,755	1,249,492	1,323,248	1,695,305	(29,135)	(109,967)	455,384	(597,428)	(1,648,398)
Business-type activities	131,448	62,465	68,467	34,627	(39,737)	77,856	(52,246)	125,185	127,897	(77,573)
Total primary government	\$ 2,389,622	\$ 928,220	\$ 1,317,959	\$ 1,357,875	\$ 1,655,568	\$ 48,721	\$ (162,213)	\$ 580,569	\$ (469,531)	\$ (1,725,971)

TABLE 3

**CASWELL COUNTY, NORTH CAROLINA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Motor Fuel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2008	\$ 9,453,260	\$ 4,035,897	\$ 726,145	\$ 19,099	\$ 7,614	\$ 14,242,015
2009	9,136,526	3,353,873	345,282	8,759	7,877	12,852,317
2010	9,533,263	2,299,932	354,639	315	7,604	12,195,753
2011	9,944,802	2,150,040	480,200	408	7,337	12,582,787
2012	10,008,923	2,314,067	591,422	138	7,511	12,922,061
2013	9,848,060	2,654,274	357,492	8,543	8,016	12,876,385
2014	10,753,510	2,387,229	554,097	9,645	7,614	13,712,095
2015	11,081,330	2,942,423	116,643	9,475	7,877	14,157,748
2016	11,106,149	2,586,659	343,631	618	94,226	14,131,283
2017	11,669,063	3,819,180	325,369	-	96,734	15,910,346

TABLE 4

**CASWELL COUNTY, NORTH CAROLINA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved by state statute	\$ 1,408,865	\$ 1,641,218	\$ 1,651,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	24,272	24,069	-	-	-	-	-	-	-	-
Encumbrances	72,485	44,181	62,274	-	-	-	-	-	-	-
Register of Deeds	11,089	-	27,081	-	-	-	-	-	-	-
Unreserved										
Undesignated	3,309,488	3,315,956	4,115,211	-	-	-	-	-	-	-
Designated for subsequent years' expenditures	43,670	539,317	308,289	-	-	-	-	-	-	-
Nonspendable										
Prepaid	-	-	-	-	-	12,475	-	-	-	-
Restricted										
Stabilization by State Statue	-	-	-	1,269,072	1,469,856	1,595,257	1,712,451	1,867,664	1,581,662	1,547,643
Register of Deeds	-	-	-	35,577	30,377	30,474	29,772	32,464	41,509	49,102
Education	-	-	-	19,259	149,264	201,502	276,567	440,090	637,089	724,650
Committed										
Tax Revaluation	-	-	-	160,852	196,012	226,509	256,836	137,316	67,541	97,715
LEO Separation	-	-	-	-	-	-	-	-	24,991	33,785
Assigned										
Subsequent year's expenditure	-	-	-	621,682	414,756	370,928	665,051	1,075,599	1,455,860	430,340
Unassigned	-	-	-	4,512,319	5,532,909	5,409,506	4,228,094	4,175,020	4,155,155	3,584,750
Total general fund	<u>\$ 4,869,869</u>	<u>\$ 5,564,741</u>	<u>\$ 6,164,409</u>	<u>\$ 6,618,761</u>	<u>\$ 7,793,174</u>	<u>\$ 7,846,651</u>	<u>\$ 7,168,771</u>	<u>\$ 7,728,153</u>	<u>\$ 7,963,807</u>	<u>\$ 6,467,985</u>
All other governmental funds										
Reserved by state statute	\$ 316,936	\$ 235,825	\$ 91,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	-	-	-	-	-	-	-	-	-	-
Encumbrances	-	2,095	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:										
Designated for subsequent year's expenditures	-	74,262	423,354	-	-	-	-	-	-	-
Undesignated										
Special revenue funds	1,220,027	1,186,846	724,071	-	-	-	-	-	-	-
Capital projects funds	1,245,731	352,207	446,287	-	-	-	-	-	-	-
Restricted										
Stabilization by State Statue	-	-	-	22,861	18,290	128,073	68,312	341,556	21,521	52,990
General Government	-	-	-	203,731	632,216	377,450	207,713	161,957	162,026	160,118
Public Safety	-	-	-	841,699	4,185,359	918,343	400,421	211,495	207,879	45,881
Economic Development	-	-	-	238,387	150,843	26,219	38,415	20,860	928,239	39,502
Human Services	-	-	-	75,215	16,945	16,968	16,973	16,973	16,973	-
Cultural and Recreational	-	-	-	46,221	50,346	50,430	50,674	22,967	23,009	13,881
Unassigned	-	-	-	(5,794)	(426)	(51,600)	(128,923)	(353,278)	(41,963)	(36,952)
Total all other governmental fu	<u>\$ 2,782,694</u>	<u>\$ 1,851,235</u>	<u>\$ 1,685,591</u>	<u>\$ 1,422,320</u>	<u>\$ 5,053,573</u>	<u>\$ 1,465,883</u>	<u>\$ 653,585</u>	<u>\$ 422,530</u>	<u>\$ 1,317,684</u>	<u>\$ 275,420</u>

Note: Beginning in Fiscal Year 2011, the classifications for fund balance were due to GASB 54.

As of fiscal year 2010, fund balance classifications were nonspendable, restricted, committed, assigned, and unassigned.

**CASWELL COUNTY, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS\***  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Ad Valorem taxes	\$ 9,152,289	\$ 9,487,847	\$ 9,497,206	\$ 9,921,103	\$ 10,048,226	\$ 10,049,512	\$ 10,870,478	\$ 11,222,217	\$ 11,242,002	\$ 11,669,063
Other taxes and licenses	3,532,946	2,608,389	1,945,673	2,045,832	2,278,282	2,377,261	2,292,509	2,403,524	2,158,840	3,341,993
Unrestricted Intergovernmental	233,650	248,064	185,470	256,218	200,362	192,202	211,981	208,313	187,397	182,601
Restricted Intergovernmental	8,010,639	8,540,095	8,620,865	7,662,996	8,234,402	7,259,181	7,201,567	7,125,955	7,496,631	7,323,276
Permits and fees	532,070	464,882	457,005	372,551	454,451	461,549	505,090	813,963	715,428	639,299
Sales and services	2,217,279	2,343,959	2,412,776	2,211,776	1,994,210	2,103,642	2,093,186	2,399,907	1,826,244	2,062,120
Investment earnings	294,289	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445	30,141
Miscellaneous	145,409	94,580	80,603	153,182	177,958	315,302	242,391	128,208	98,320	72,056
<b>Total Revenues</b>	<b>24,118,571</b>	<b>23,906,778</b>	<b>23,231,365</b>	<b>22,642,116</b>	<b>23,409,242</b>	<b>22,770,977</b>	<b>23,420,714</b>	<b>24,304,946</b>	<b>23,743,307</b>	<b>25,320,549</b>
<b>Expenditures</b>										
Current:										
General government	2,475,636	2,599,753	2,416,327	2,468,431	2,420,079	2,538,192	2,741,452	2,736,201	3,137,715	2,901,878
Public safety	4,923,453	5,009,197	5,093,273	5,243,023	5,538,007	5,788,594	6,663,462	6,882,294	6,352,822	7,991,115
Environmental protection	73,994	76,770	77,957	91,359	82,372	84,601	84,767	85,775	95,703	101,882
Economic and physical development	462,784	637,715	646,353	433,037	445,626	526,691	484,949	368,686	425,376	489,956
Human Services	10,131,519	9,469,557	8,879,535	8,882,518	9,251,869	9,169,801	8,950,156	8,879,368	8,625,655	9,215,018
Culture and recreation	574,047	557,241	541,811	550,408	534,461	529,239	785,085	552,474	579,458	663,615
Intergovernmental:										
Education	3,191,959	3,592,260	3,544,272	3,169,266	3,018,865	3,048,865	2,998,193	3,280,031	3,368,855	4,174,503
Capital outlay	901,238	1,098,705	419,269	518,744	5,208,454	2,787,180	1,292,156	457,208	79,898	892,630
Debt service:										
Principal	1,042,584	1,027,265	962,163	970,480	465,194	628,848	916,535	778,310	1,049,095	1,268,545
Interest and other charges	286,915	253,535	264,141	98,749	305,469	349,579	336,617	316,272	301,711	319,698
<b>Total expenditures</b>	<b>24,064,129</b>	<b>24,321,998</b>	<b>22,845,101</b>	<b>22,426,015</b>	<b>27,270,396</b>	<b>25,451,590</b>	<b>25,253,372</b>	<b>24,336,619</b>	<b>24,016,288</b>	<b>28,018,840</b>
Excess of revenues over (under) expenditures	54,442	(415,220)	386,264	216,101	(3,861,154)	(2,680,613)	(1,832,658)	(31,673)	(272,981)	(2,698,291)
<b>Other financing sources (uses)</b>										
Transfers in from other funds	2,840,128	2,374,894	1,814,362	498,669	1,700,303	85,137	430,629	173,917	430,629	1,661,855
Transfers out to other funds	(2,840,128)	(2,374,894)	(1,826,862)	(523,669)	(1,600,303)	(85,137)	(430,629)	(173,917)	(430,629)	(1,661,855)
Proceeds from the issuance of debt	307,000	-	2,560,000	-	8,567,000	146,400	342,480	360,000	342,480	160,205
Premium on debt	-	-	19,468	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(2,519,208)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>307,000</b>	<b>-</b>	<b>47,760</b>	<b>(25,000)</b>	<b>8,667,000</b>	<b>146,400</b>	<b>342,480</b>	<b>360,000</b>	<b>342,480</b>	<b>160,205</b>
<b>Net change in fund balances</b>	<b>\$ 361,442</b>	<b>\$ (415,220)</b>	<b>\$ 434,024</b>	<b>\$ 191,101</b>	<b>\$ 4,805,846</b>	<b>\$ (2,534,213)</b>	<b>\$ (1,490,178)</b>	<b>\$ 328,327</b>	<b>\$ 69,499</b>	<b>\$ (2,538,086)</b>
Debt service as a percentage of noncapital expenditures	5.88%	5.61%	5.52%	4.98%	3.60%	4.44%	5.33%	4.69%	5.79%	6.02%

TABLE 6

**CASWELL COUNTY, NORTH CAROLINA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year Ended June 30</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Plus Discoveries</b>	<b>Less Abatements</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2008*	\$ 1,268,019,940	\$ 57,787,907	\$ -	\$ (4,698,065)	\$ 1,321,109,782	0.6720
2009	1,413,876,471	58,244,940	-	(10,633,704)	1,461,487,707	0.6290
2010	1,427,782,014	56,869,634	-	(14,220,984)	1,470,430,664	0.6290
2011	1,356,449,165	52,254,518	62,225,646	-	1,470,929,329	0.6590
2012*	1,363,246,889	119,266,464	747,800	-	1,483,261,153	0.6590
2013	1,370,285,585	125,098,179	9,294,082	-	1,504,677,846	0.6590
2014	1,376,118,058	195,846,889	-	(3,413,657)	1,568,551,290	0.6590
2015	1,399,082,769	205,601,473	-	(540,795)	1,604,143,447	0.6790
2016*	1,412,749,779	162,236,672	-	(600,008)	1,574,386,443	0.6790
2017	1,455,493,520	169,258,468	-	(10,162)	1,624,741,826	0.6790

\*Caswell County typically reassessed property every four years.  
Per \$100 of value.

Source: Caswell County Tax Department

TABLE 7

**PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

<b>Tax Year</b>	<b>Caswell County</b>	<b>Town of Yanceyville</b>
2008	0.672	0.340
2009	0.629	0.330
2010	0.629	0.330
2011	0.659	0.330
2012	0.659	0.330
2013	0.659	0.330
2014	0.659	0.330
2015	0.679	0.330
2016	0.679	0.330
2017	0.679	0.330

Source: Caswell County Tax Department and the Town of Yanceyville

TABLE 8

**CASWELL COUNTY, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**JUNE 30, 2017 AND TEN YEARS AGO**  
(UNAUDITED)

<u>Taxpayer</u>	2017			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress, Inc	\$ 22,566,529	1	1.39%	\$ -	-	0.00%
Duke Energy Carolinas, Inc	21,513,826	2	1.32%	12,253,470	2	0.94%
Thompson Trucking Inc	14,338,155	3	0.88%	-	-	0.00%
EMC Piedmont	13,657,561	4	0.84%	8,288,428	3	0.64%
NC4 Caswell LLC	7,683,109	5	0.47%	-	-	0.00%
Norfolk Southern	6,730,728	6	0.41%	3,688,581	7	0.28%
Southside Materials LLC	4,908,750	7	0.30%	-	-	0.00%
Southside Realty Investments	4,079,267	8	0.25%	-	-	0.00%
Public Service Co of NC Inc	3,328,072	9	0.20%	-	-	0.00%
SMV Yanceyville LLC	3,289,816	10	0.20%	-	-	0.00%
Carolina Power & Light	-	-	0.00%	15,252,175	1	1.17%
Mebtel Communications Inc	-	-	0.00%	6,153,397	4	0.47%
Vulcan Land, Inc	-	-	0.00%	6,120,571	5	0.47%
Central Telephone Co	-	-	0.00%	4,724,502	6	0.36%
Carpediem West LLC	-	-	0.00%	3,298,392	8	0.25%
TieTex Interiors	-	-	0.00%	3,085,278	9	0.24%
Caswell Pines Golf & Land Co	-	-	0.00%	2,941,316	10	0.23%
Totals	<u>\$ 102,095,813</u>		<u>6.28%</u>	<u>\$ 65,806,110</u>		<u>5.05%</u>

Source: Caswell County Tax Department

TABLE 9

**CASWELL COUNTY, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2008	\$ 8,862,255	\$ 8,456,367	95.42%	\$ 365,984	\$ 8,822,351	99.55%
2009	9,217,803	8,850,355	96.01%	329,286	9,179,641	99.59%
2010	9,249,009	8,855,999	95.75%	352,410	9,208,409	99.56%
2011	9,298,541	8,893,686	95.65%	347,944	9,241,630	99.39%
2012	9,774,691	9,421,720	96.39%	290,146	9,711,866	99.36%
2013	9,915,827	9,557,555	96.39%	281,289	9,838,844	99.22%
2014	10,359,249	10,076,281	97.27%	197,491	10,273,772	99.17%
2015	10,892,134	10,673,421	97.99%	133,686	10,807,107	99.22%
2016	10,688,558	10,495,318	98.19%	98,619	10,593,937	99.11%
2017	11,031,997	10,870,790	98.54%	-	10,870,790	98.54%

Source: Caswell County Tax Department

TABLE 10

**CASWELL COUNTY, NORTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Private Placement Bonds</b>	<b>Installment Obligations</b>	<b>Capital Leases</b>			
2008	\$ 4,275,000	\$ -	\$ 1,335,365	\$ 6,404	\$ 5,616,769	12.10%	\$ 231.49
2009	3,580,000	-	1,009,503	-	4,589,503	15.63%	\$ 196.95
2010	2,990,000	-	722,340	-	3,712,340	19.50%	\$ 157.39
2011	2,285,000	-	456,860	-	2,741,860	27.25%	\$ 115.60
2012	2,045,928	8,567,000	246,666	-	10,859,594	6.03%	\$ 456.92
2013	1,794,159	8,342,000	239,218	-	10,375,377	6.33%	\$ 435.23
2014	1,547,389	7,892,000	87,814	272,349	9,799,552	6.93%	\$ 414.99
2015	1,310,619	7,442,000	419,152	207,701	9,379,472	N/A	\$ 395.44
2016	1,078,849	6,889,000	1,616,163	140,812	9,724,824	N/A	N/A
2017	852,079	6,233,000	1,458,030	71,605	8,614,714	N/A	N/A

Note: Population figures are as of July 1 of the fiscal year.

N/A Information not available for this period.

TABLE 11

**CASWELL COUNTY, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2008	\$ 4,275,000	\$ 710,000	\$ 3,565,000	524.45%	0.27%	\$ 146.93
2009	3,580,000	695,000	2,885,000	402.30%	0.20%	123.80
2010	2,990,000	-	2,990,000	413.08%	0.20%	126.76
2011	2,285,000	-	2,285,000	305.84%	0.16%	96.34
2012	2,045,928	-	2,045,928	312.33%	0.14%	86.08
2013	1,794,159	-	1,794,159	273.11%	0.12%	75.26
2014	1,547,389	-	1,547,389	227.69%	0.10%	65.53
2015	1,310,619	-	1,310,619	N/A	0.08%	55.26
2016	1,078,849	-	1,078,849	N/A	0.07%	N/A
2017	852,079	-	852,079	N/A	0.05%	N/A

Note: Population figures are as of July 1 of the fiscal year.

N/A Information not available for this period.

TABLE 12

**CASWELL COUNTY, NORTH CAROLINA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed value	\$ 1,321,109,782	\$ 1,461,487,707	\$ 1,470,430,664	\$ 1,470,929,329	\$ 1,483,261,154	\$ 1,504,677,846	\$ 1,571,964,947	\$ 1,604,143,446	\$ 1,574,386,443	\$ 1,624,741,826
Debt limit (8% of total assessed value)	105,688,783	116,919,017	117,634,453	117,674,346	118,660,892	120,374,228	125,757,196	128,331,476	125,950,915	129,979,346
Debt applicable to limit:										
Total general obligation bonds	4,275,000	3,580,000	2,990,000	2,285,000	10,612,928	10,136,159	9,439,389	8,752,619	7,967,849	7,085,079
Total installment payments	1,335,365	1,009,503	722,340	456,860	246,666	239,218	87,814	419,152	1,616,163	1,458,030
Total capital leases	6,404	-					272,349	207,701	140,812	71,605
Total debt applicable to limitations	5,616,769	4,589,503	3,712,340	2,741,860	10,859,594	10,375,377	9,799,552	9,379,472	9,724,824	8,614,714
Legal debt margin	\$ 100,072,014	\$ 112,329,514	\$ 113,922,113	\$ 114,932,486	\$ 107,801,298	\$ 109,998,851	\$ 115,957,644	\$ 118,952,004	\$ 116,226,091	\$ 121,364,632
Total net debt applicable to the limit as a percentage of debt limit	5.31%	3.93%	3.16%	2.33%	9.15%	8.62%	7.79%	7.31%	7.72%	6.63%

TABLE 13

**CASWELL COUNTY, NORTH CAROLINA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<b>Year</b>	<b>Population</b>	<b>Personal Income (Thousands of Dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>	<b>Number of Building Permits</b>
<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2008	24,264	679,756	29,894	41	3,148	7.8%	1183
2009	23,303	717,121	29,830	41	3,273	13.5%	920
2010	23,587	723,831	29,690	41	3,030	11.9%	944
2011	23,719	747,132	31,326	43.6	2,880	10.9%	875
2012	23,767	655,058	28,256	44	2,880	9.6%	943
2013	23,839	656,946	28,258	44	2,777	9.3%	867
2014	23,614	679,593	29,443	44.5	2,735	7.6%	865
2015	23,719	N/A	31,184	43	2,716	6.9%	761
2016	N/A	N/A	N/A	43	2,689	5.70%	858
2017	N/A	N/A	N/A	45	2,744	4.50%	876

## Notes:

- (1) NC Rural Economic Development Center
- (2) Bureau of Economic Analysis, U.S. Department of Commerce, Figures are for the prior calendar year.
- (3) NC Rural Economic Development Center
- (4) State Board of Education
- (5) NC Employment Security Commission,
- (6) Total number of building permits issued by Caswell County Inspections Department.
- N/A Not Available.

TABLE 14

**CASWELL COUNTY, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND ONE YEAR AGO**  
**(UNAUDITED)**

<b>2017</b>				<b>2016</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County</b>
Caswell County Schools	561	1	6.09%	Caswell County Schools	488	1	5.30%
Caswell County Local Gov	223	2	2.42%	Caswell County Local Gov	220	2	2.39%
Department of Public Safety	188	3	2.04%	Department of Public Safety	176	3	1.91%
WS Construction	120	4	1.30%	Ssc Yanceyville Operating Co	160	4	1.74%
Certaineed Gypsum NC Inc.	94	5	1.02%	WS Construction	140	5	1.52%
Ssc Yanveyville Operating	85	6	0.92%	Certaineed Gypsum NC Inc.	67	6	0.73%
Caswell House	40	7	0.43%	Piedmont Comm College	55	7	0.60%
Food Lion	38	8	0.41%	Food Lion, Yanceyville	50	8	0.54%
McDonalds	35	9	0.38%	Duke Athletics/Royal Textiles	45	9	0.49%
Piedmont Community College	21	10	0.23%	Caswell House	33	10	0.36%
Total	<u>1405</u>		<u>15.25%</u>	Total	<u>1434</u>		<u>15.56%</u>

Source: NC Employment Security Commission and employers.

Percentage of Total County is calculated using the County's estimated employment totals (Source: NC Rural Economic Development Center)

TABLE 15

**CASWELL COUNTY, NORTH CAROLINA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Governing and Management	25	23	24	23	25	26	24	26	26	23
Community and Environment	5	2	2	5	5	5	6	5	6	7
Human Services	97	90	107	98	96	89	93	94	92	92
Public Safety	66	71	75	73	76	86	87	80	88	88
Cultural and Recreation	11	6	7	13	14	13	14	15	13	13
Total	204	192	215	212	216	219	224	220	225	223

Source: County Finance Department

Note: This schedule represents the number of persons employed as of June 30 of each year.

TABLE 16

**CASWELL COUNTY, NORTH CAROLINA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Function</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Public Safety/Sheriff</b>										
Court Papers	7,051	7,186	7,350	6,514	6,586	5,618	5,832	4,798	5,117	4,799
Investigation Reports Filed	1,085	1,113	1,095	1,203	1,185	1,255	1,343	1,255	1,539	1,663
Calls Answered	34,383	35,717	38,945	34,287	31,362	13006*	33,291	28,630	32,044	42,753
<b>Public Safety/Emerg Mgmt/Fire</b>										
Number of calls dispatched (includes fire & medical first response calls)	16,910	15,772	15,704	15,431	16,590	15,060	14,880	14,697	15,465	12,211
<b>Solid Waste</b>										
Tonnage Disposed	7,756	7,063	7,531	7,159	7,155	7,504	7,362	7,278	7,278	7,895
Number of Households Served	8,000	8,122	8,200	7,873	8,622	8,729	8,727	8,685	8,685	9,032
<b>Community Services/Library</b>										
Circulation	60,128	66,989	67,962	73,883	69,054	62,471	74,443	73,135	66,633	59,271
Computer Use	6,657	7,687	7,796	8,823	10,808	12,486	12,718	13,909	12,774	10,444
Program Attendance	71,531	64,392	69,648	74,899	79,491	86,214	75,181	73,533	76,884	78,611
<b>Community Services/Building Inspections</b>										
Number of Building Permits Issued	266	206	205	206	175	178	183	163	206	197
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	917	714	739	669	768	689	682	598	858	679
<b>Human Services/Social Services</b>										
Average # Medicaid Eligible Cases	3,755	4,726	4,777	4,847	5,124	4,768	4,889	5,408	5,484	5,532
Average # Food Stamp Households per month	1,775	1,885	2,106	2,574	2,607	2,674	2,639	2,854	2,536	2,244
Average \$ Fraud Collections per month	4,587	5,379	5,084	4,134	5,180	2,299	2,025	2,034	2,968	1,591
Aging & Nutrition Services/ Meals Served	11,245	10,600	9,718	8,734	8,885	10,085	7,853	9,375	8,735	7,424
Aging & Nutrition Services/Clients Served	1,622	1,740	1,224	1,131	1,158	1,132	940	942	956	883
Meals on Wheels/Meals Served	27,232	26,397	31,234	32,517	33,388	32,106	33,771	32,319	31,066	31,312
Meals on Wheels/Clients Served	1,375	1,328	1,559	1,647	1,701	1,671	1,664	1,726	1,531	1,628
<b>Register of Deeds</b>										
Documents Recorded	4,432	3,364	3,090	2,925	3,085	3,150	2,832	2,688	2,749	2,885
Marriage Licenses	117	85	91	99	114	88	100	99	116	93
Births & Deaths	141	185	658	812	768	806	790	736	823	797
<b>Education</b>										
School enrollment	3,161	3,117	3,030	2,880	2,824	2,777	2,735	2,716	2,689	2,744

Sources: Various county government departments.

Solid Waste- Total tonnage disposed for County

Solid Waste- Households served based on calculation using tax collection rate

County administered Meals On Wheels services implemented FY 2006-2007

School enrollment (average daily membership) - State Board of Education/NC DPI

\*Sheriff Report/Calls Answered - FYE 2013 Reporting format changed - does not reflect security checks on churches and businesses.

**CASWELL COUNTY, NORTH CAROLINA**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(UNAUDITED)

<b>Function</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General Government										
Administration	2	1	1	1	2	2	1	1	3	1
Building Inspections	2	1	1	1	1	1	1	1	1	2
Maintenance	3	3	3	3	3	6	10	6	10	11
Section 8	2	2	2	2	2	2	2	2	2	2
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Safety										
Sheriff's patrol & other vehicles	57	58	56	56	62	53	56	61	55	70
Emergency management	3	3	3	3	2	1	5	1	6	8
Ambulances	1	3	4	4	7	5	5	5	7	6
E911	2	2	2	2	2	1	2	2	2	2
Environmental Protection										
Soil & Water Conservation	0	0	0	0	1	1	1	1	1	1
Economic & Physical Development										
Economic Development/Planning	0	0	0	0	0	0	0	0	0	0
Planning	1	1	1	1	0	0	0	0	0	0
Human Services										
Transportation	10	13	11	11	11	13	11	13	21	25
Culture and Recreation										
Parks & Recreation	2	2	2	2	3	2	3	2	3	5
Farmer Lake	1	1	0	0	1	1	1	1	3	1
Library	1	1	1	1	1	1	1	2	2	2
Water & Sewer										
Landfill	2	2	2	2	2	2	2	3	3	3
Pump Stations	0	1	1	1	1	1	1	1	1	1
Elevated tanks	0	1	1	1	1	1	1	1	1	1
Elevated water pump station	0	1	1	1	1	1	1	1	1	1

Source: County Finance Department

# **COMPLIANCE SECTION**



**Thompson, Price, Scott, Adams & Co, P.A.**

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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Caswell County  
Yanceyville, North Carolina

We have audited, in accordance with the 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 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 Caswell County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises Caswell County's basic financial statements, and have issued our report thereon dated December 29, 2017. Our report includes a reference to other auditors who audited the financial statements of Caswell County ABC Board, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Caswell County ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Caswell County's internal control over financial reporting (internal control) to determine the audit procedure 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 Caswell County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. [2017-01].

A significant deficiency is a deficiency or a combination of deficiencies, in internal control control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any items that we considered significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caswell 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Caswell County's Response to Findings

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

#### Purpose of this Report

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

*Thompson, Price, Scott, Adams & Co., P.A.*

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 29, 2017



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Caswell County  
Yanceyville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major federal programs for the year ended June 30, 2017. Caswell County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Caswell 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 Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, OMB 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 Caswell 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 Caswell County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of Caswell 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 Caswell County's internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, 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.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Yanceyville, North Carolina  
December 29, 2017



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Caswell County  
Yanceyville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major state programs for the year ended June 30, 2017. Caswell County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Caswell County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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 Caswell 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 Caswell County's compliance.

## Opinion on Each Major State Program

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of Caswell 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 Caswell 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
December 29, 2017

## Section I. Summary of Auditors' Results

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

State Awards

Internal control over major State programs:

- Material Weakness(es) identified?        yes        X  no
- Significant Deficiency(s) identified        yes        X  none reported

Type of auditors' report issued on compliance for major  
State programs:

Unmodified

Identification of major State programs:

Program Name

Medical Assistance

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

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**Section II. Financial Statement Findings**

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**Finding 2017-01    Reconciliation of Records**

**SIGNIFICANT DEFICIENCY**

Criteria: AU-C 260 requires communication of certain matters related to internal control over financial reporting.

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted. Several adjustments had to be proposed to correct the financial statements.

Effect: Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.

Cause: The finance office has experienced turnover during the year, and adequate time was not available to reconcile some accounts and make adjusting journal entries.

Recommendation: The finance office should make sure that timely reconciliations are prepared for all accounts. Year end entries should be made by the finance staff prior to year-end closing.

Views of responsible officials: The County agrees with this finding.

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**Section III. Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV. State Award Findings and Questioned Costs**

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None Reported.

**CASWELL COUNTY, NORTH CAROLINA**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2017**

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**Section II - Financial Statement Findings**

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Finding: 2017-01            Reconciliation of Records\*\*

Name of contact person: Gwen Vaughn, Finance Officer

Corrective Action: The County recognizes the importance of timely reconciliations and will make all efforts to reconcile all accounts and bank accounts earlier in the future.

Proposed Completion Date: June 30, 2018

\*\*This was a repeat finding.

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**Section III - Federal Award Findings and Question Costs**

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None Reported.

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**Section IV - State Award Findings and Question Costs**

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None Reported.

CASWELL COUNTY, NORTH CAROLINA  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2017

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Finding: 2016-01  
Corrected.

Finding: 2016-02  
Repeated as 2017-01.

Finding: 2016-03  
Corrected.

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass- through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Asst. Prg.	10.561		\$ 180,177	\$ -	\$ -	\$ 180,177
Fraud	10.561		13,215	-	-	13,215
Total Supplemental Nutrition Assist Program Cluster			193,392	-	-	193,392
Passed-through N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		111,153	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		234,459	-	-	-
Total Division of Public Health			345,612	-	-	-
Total U.S. Dept. of Agriculture			539,004	-	-	193,392
<u>Institute of Museum &amp; Library Services</u>						
Passed through Department of Natural and Cultural Resources						
State Library of North Carolina						
LSTA Grants	45.310		35,186	-	-	-
<u>US Dept. of Health and Human Services</u>						
Division of Aging and Adult Services:						
Passed-through Piedmont Triad Regional Council of Governments:						
Special Programs for the Aging Title IIIB Grants for Supportive Services and Senior Centers	93.044		-	-	-	-
Special Programs for the Aging Title IIIC Nutrition Services	93.045		151,943	42,249	-	-
Nutrition Services Incentive Program	93.053		29,052	-	-	-
Total Aging Cluster			180,995	42,249	-	-
Family Caregiver Giver IIIE	93.052		9,263	618	-	-
Social Services Block Grant (SSBG) - In Home Services	93.667		4,794	136	-	-
Division of Social Services:						
Temporary Assistance Needy Family Cluster						
Temporary Assistance for Needy Families -Admin	93.558		37,575	-	-	29,602
Temporary Assistance for Needy Families - Services	93.558		267,313	-	-	108,032
TANF / Work First Direct Benefit Payments	93.558		108,910	-	-	-
Total TANF Cluster			413,798	-	-	137,634

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass- through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E - Administration	93.658		491	8	-	483
IV-E Foster Care Trn/Off Trn	93.658		58,525	-	-	58,347
Foster Care - Title IV-E- CPS	93.658		18,246	10,377	-	7,869
IV-E Admin County Paid	93.658		10,271	5,135	-	5,135
Foster Care - IV-E Direct Benefit Payments	93.658		28,170	7,798	-	7,099
Adoption IV-E Off Trn	93.659		9,831	-	-	9,831
IV-E Adoption Subsidy & Vendor	93.659		86,620	22,477	-	22,267
Foster Care	N/A		17,446	-	-	-
Total Foster Care and Adoption Cluster			229,600	45,795	-	111,031
IV-D Administration	93.563		270,426	-	-	139,308
Family Preservation	93.556		7,293	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		17,844	-	-	-
Energy Assistance - Direct Benefit Payments	93.568		107,875	-	-	-
Crisis Intervention Program	93.568		107,255	-	-	-
Total Low-Income Energy Assistance			232,974	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645		8,588	-	-	2,862
Total Stephanie Tubbs Jones Child Welfare Services			8,588	-	-	2,862
SSBG - Other Service and Training	93.667		153,225	13,306	-	46,225
Chafee Foster Care Independence Program	93.674		310	78	-	-
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State In Home Service Fund	93.667		14,877	-	-	2,125
Division of Child Development and Early Education						
Subsidized Child Care:						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund - Administration	93.596		79,753	-	-	-
Division of Child Development:						
Child Care and Development Block Grant- Discretionary	93.575		129,652	-	-	-
Child Care and Development Block Grant - Mandatory	93.596		43,478	-	-	-
Child Care and Development Block Grant - Match	93.596		149,269	67,704	-	-
Total Child Care Development Fund Cluster			402,152	67,704	-	-
Temporary Assistance for Needy Families	93.558		37,038	-	-	-
Foster Care Title IV-E	93.658		4,293	2,154	-	-
Smart Start	N/A		-	72	-	-
State Appropriations	N/A		-	19,565	-	-
TANF-MOE	N/A		-	52,951	-	-
Total Subsidized Child Care Cluster			443,483	142,446	-	-

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Passed-through the N.C. Department of Health and Human Services						
Division of Medical Assistance:						
Direct Benefit Payments						
Title XIX - Medicaid	93.778		21,978,858	12,254,561	-	-
Division of Social Services						
Administration						
Medical Assistance Program	93.778		511,493	8,482	-	215,710
Total Medical Assistance Program			<u>22,490,351</u>	<u>12,263,043</u>	<u>-</u>	<u>215,710</u>
Direct Benefits Payments						
State Children's Insurance Program						
N. C. Health Choice	93.767		380,717	1,044	-	-
Division of Social Services Administration						
State Children's Insurance Program						
NC Health Choice	93.767		<u>9,282</u>	<u>16</u>	<u>-</u>	<u>9</u>
Total State Children's Insurance Program NC Health Choice			<u>389,999</u>	<u>1,060</u>	<u>-</u>	<u>9</u>
Passed-through the N.C. Department of Health and Human Services						
Division of Public Health						
Hospital Preparedness Program (HPP) and Public Emerg Preparedness (PHEP) Aligned Cooperative Agreements	93.074		36,820	-	-	-
Injury Prevention and Control Research and State Community Based Program	93.136		781	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Immunization Grants	93.268		1,443			
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758		25,182	-	-	-
Cooperative Agreement for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program HIV Prevention Activities- Health Department Based	93.940		3,000	-	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977		946	-	-	-
Temporary Assistance for Needy Families	93.558		3,035	-	-	-
Passed through N.C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		37,887	-	-	-
Office of Population Affairs						
Passed through N.C. Department of Health and Human Office of Population Affairs						
Family Planning Services	93.217		<u>20,678</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>24,979,798</u>	<u>12,508,731</u>	<u>-</u>	<u>654,904</u>
U.S. Dept. of Homeland Security						
Passed through the NC Dept. of Public Safety						
Emergency Management Performance Grant	97.042		<u>38,583</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Homeland Security			<u>38,583</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>Office of Public and Indian Housing</u>						
Lower Income Housing Assistance Program						
Section 8 Housing Voucher Program	14.871		884,704	-	-	-
Total U.S. Dept. of Housing & Urban Development			884,704	-	-	-
<u>U.S. Department of Transportation</u>						
Passed through the N.C. Department of Transportation						
Public Transportation Division						
Nonurbanized Area Formula Program	20.509	36233.19 .14.1	13,544	846	-	-
Nonurbanized Area Formula Program	20.509	36233.19 .15.1	59,083	4,455		
Nonurbanized Area Formula Program	20.509	36233.19 .15.3	43,656	5,457		
Nonurbanized Area Formula Program	20.509	36233.19 .15.4	280	35		
Nonurbanized Area Formula Program	20.509	36233.19 .14.3	280	35	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.57 .4.3	11,766	1,471		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.57 .3.3	1,193	149	-	-
Total U. S. Department of Transportation			129,802	12,448	-	-
Total Federal Awards			\$ 26,607,077	\$ 12,521,179	\$ -	\$ 848,296
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Maternal Health			\$ -	\$ 2,943	\$ -	\$ -
Communicable Disease			-	10,911	-	-
HIV/STD SSBG Aid			-	400	-	-
Breast and Cervical Cancer Program			-	100	-	-
Sexually Transmitted Diseases			-	952	-	-
School Nurse Funding Initiative			-	172,650	172,650	-
Women's Health Service Fund			-	5,288	-	-
Tuberculosis			-	1,659	-	-
Child Health			-	1,068	-	-
General Aid to Counties			-	80,080	-	-
TB Medical Services			-	540	-	-
HMHC Family Planning			-	4,438	-	-
Division of Social Services:						
CP&L Energy Assistance		N/A	-	2,574	-	-
State Foster Home - Direct Benefit Payment		N/A	-	15,563	-	15,563
SC/SA Domiciliary Care -Direct Benefit Payment		N/A	-	270,147	-	270,215
State Child Welfare/CPS/CS LD		N/A	-	19,030	-	-
SFHF Maximization - Direct Benefit Payment		N/A	-	18,351	-	18,351
County Funded Programs		N/A	-	-	-	452,829
CWS Adopt Subsidy & Vendor - Direct Benefit Payment		N/A	-	28,171	-	7,628
Non-Allocating County Cost		N/A	-	-	-	376
Division of Aging and Adult Services:						
State Funds In Home Services			-	58,581	-	-
Caregiver Match			-	1,356	-	-
Senior Center Purpose			-	3,625	-	-
Total N.C. Dept. Health and Human Services			-	698,427	172,650	764,962

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
N. C. Dept. of Environmental Quality Division of Soil and Water Conservation Soil Technician Grant			-	22,178	-	-
<u>N.C. Dept. of Transportation</u> Rural Operating Assistance Program (ROAP)						
		36220.10				
Elderly and Handicapped Transportation Assistance		.7.1	-	56,941	-	-
		36228.22				
Rural Public Transportation State Funds		.7.1	-	59,112	-	-
		36236.11				
Work First Transportation Non-Recipient		.6.1	-	-	-	-
Total N.C. Dept. of Transportation			-	116,053	-	-
<u>N.C. Dept. of Environment and Natural Resources</u> Division of Waste Management - Scrap Tire Program		N/A	-	31,605	-	-
Division of Waste Management - White Goods			-	7,282	-	-
Total N.C. Dept. of Environment and Natural Resources			-	38,887	-	-
<u>N.C. Dept. of Public Safety</u> Office of Juvenile Justice Youth Services:						
Caswell County Youth Enrichment Program		N/A	-	95,613	-	-
JCPC Administration		N/A	-	4,700	-	-
Total N.C. Dept. of Public Safety			-	100,313	-	-
<u>N.C. Department of Commerce</u> Commerce Fellows Capacity Building Grant			-	32,715	-	-
Total N.C. Department of Commerce			-	32,715	-	-
<u>N. C. Council for Women/Domestic Violence Commission</u> Domestic Violence			-	13,546	-	-
Marriage License			-	20,000	-	-
Family Violence			-	17,831	-	-
			-	51,377	-	-
<u>N. C. Department of Cultural and Natural Resources</u> Division of State Library State Aid to Public Libraries			-	84,941	-	-
<u>N. C. Department of Public Safety</u> Governors Crime Commission Family Services			-	41,720	-	19,875
N.C. 911 Board Emergency PSAP Center Grant			-	186,087	-	-
<u>N.C. Department of Public Instruction</u> Public School Building Capital Fund (Lottery)			-	382,263	-	-
Total N.C. Department of Public Instruction			-	382,263	-	-
Total State Awards			\$ -	\$ 1,754,961	\$ 172,650	\$ 784,837
Total Federal and State Awards			\$ 26,607,077	\$ 14,276,140	\$ 172,650	\$ 1,633,133

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2017**

		State/ Pass-				
Grantor/Pass-through	Federal	through	Fed (Direct &	State	Pass-through	Local
<u>Grantor/Program Title</u>	<u>CFDA</u>	<u>Grantor's</u>	<u>Pass-through</u>	<u>Expenditures</u>	<u>to</u>	<u>Expenditures</u>
	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Subrecipients</u>	<u>Expenditures</u>

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 Caswell County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Caswell County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Caswell County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Caswell County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.