

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**



Prepared by the
Caswell County Finance Department

Finance Director
Gwen Vaughn

County of Caswell
P. O. Box 98
Yanceyville, NC 27379

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INTRODUCTORY SECTION



CASWELL COUNTY

“Preserving the Past, Embracing the Future”

Office of the County Manager

December 10, 2013

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, 2013. 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 accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Caswell for the fiscal year ended June 30, 2013.

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 Winston, Williams, Creech, Evans & Company, LLP, 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, 2013, 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, 2013, 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.

Profile of the County

Caswell County, founded in 1777, is located in the north central Piedmont region of North Carolina, along the Virginia border. Approximately 23,839 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 2,039. 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 166. 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 19th 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. 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.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

During the past year there were no major industrial expansion however; several small businesses began operations contributing to the new business growth within the County. The County continues to market the Pelham Industrial Park located along US 29. A combination of grant and local funding is used to upgrade the water/sewer infrastructure and construction of the Industrial Park. Completion is expected in early 2014.

The state and local government employs the largest collectively with over 900 workers. The economic downturn has affected the workforce with a loss of approximately 200 jobs from the prior year. 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 each day. Other major employers are WS Construction, Royal Textile Mills, and Food Lion, employing more than 200 workers. A variety of food service chains and local restaurants employee an estimated 100 workers. The balance of the private employers generally employ between 25 and 50 workers.

The monthly unemployment rate is 9.3% according to the North Carolina Employment Security Commission. The most recent data indicated per capita income, at \$31,326 in 2011.

The primary focus of economic development activities over the next several years will be to expand the County's industrial product base by developing the new industrial park along US 29 corridor and developing the existing acreage in the Caswell Industrial Park. Concurrent with that focus is the development of new small commercial business within the County.

Short and Long Term Financial Planning

The Caswell County Board of Commissioners utilizes a Capital Improvement Plan to examine short and long term capital needs. The plan is updated based on projects and expenditures the Board chooses to fund during the annual budget adoption. A Capital Improvement Fund was budgeted for the 2011-2012 fiscal year to tackle urgent needs. The Board will address other projects as funding becomes available.

Major Initiatives

Like many North Carolina counties, Caswell continues to be faced with difficult budgetary periods. Our attention continues to focus on streamlining services and increasing efficiency.

The Law Enforcement Center construction began in August 2011. The projected completion is January 2014 with occupancy in January 2014.

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, 2012. The County also received this award for the fiscal years ended June 30, 1997 through 2011. 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's staff and Winston, Williams, Creech, Evans and Company, LLP, without whose dedicated assistance this report could not have been produced. We also express our gratitude to the Board of Commissioners for their continued support and guidance throughout the past fiscal year.

Respectfully submitted,

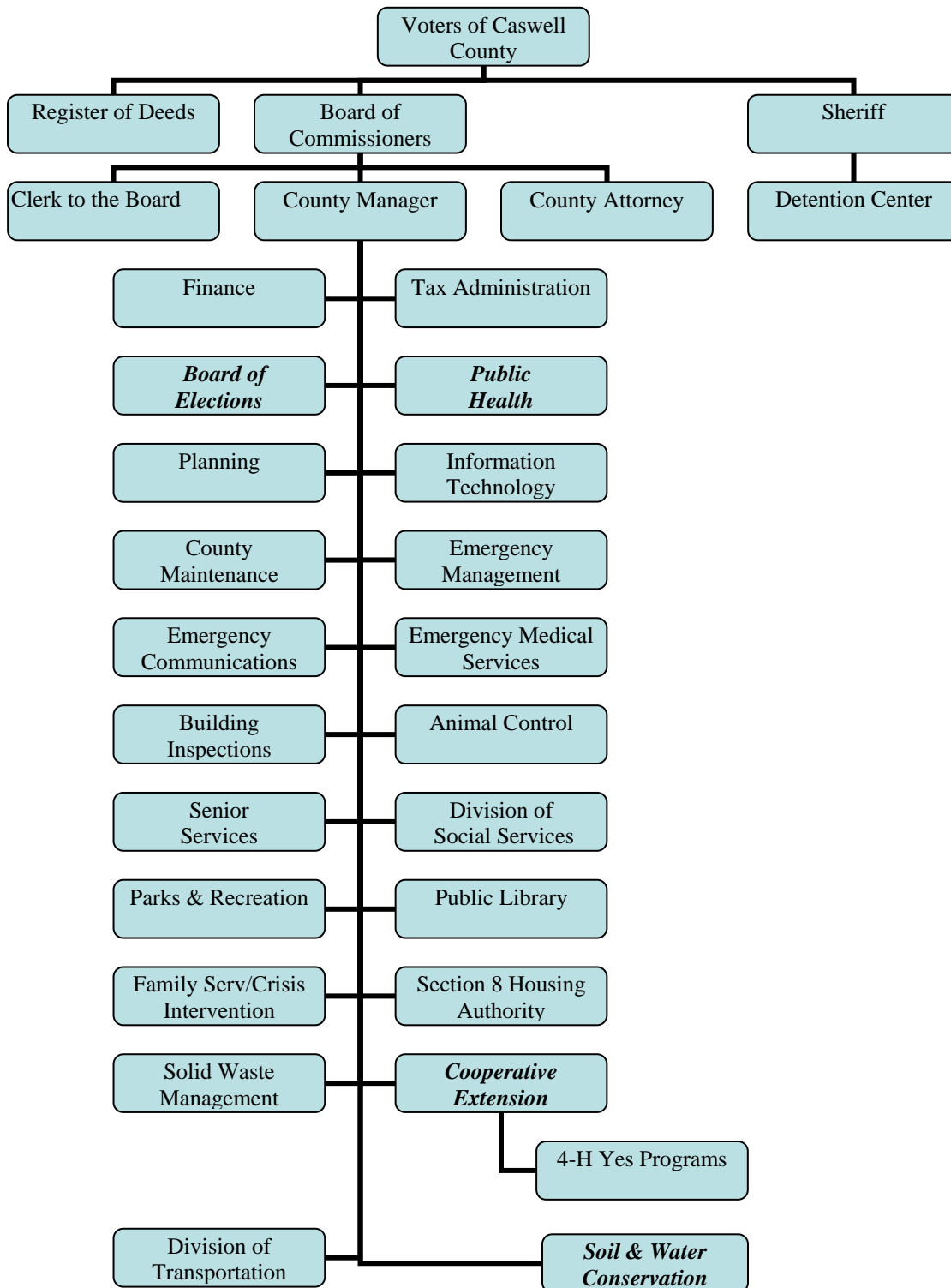
Kevin B. Howard

Kevin B. Howard
County Manager

Gwendolyn Y. Vaughn

Gwendolyn Y. Vaughn
Finance Director

CASWELL COUNTY ORGANIZATION CHART 2012-2013



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

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

**List of Principal Officers
June 30, 2013**

County Commissioners

Cathy W. Lucas, Chairman
Kenneth D. Travis, Vice Chairman
William E. Carter
Nathaniel Hall
Jeremiah Jefferies
Larry G. Hamlett
N. Kent Williamson

County Officials

Kevin B. HowardCounty Manager
Dr. Douglas Barker Superintendent of Schools
John I. SatterfieldClerk of Court
Gwendolyn Y. Vaughn Finance Director
Tammy W. RiggsRegister of Deeds
Thomas C. BernardTax Director
Michael L. WelchSheriff
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, 2012

Executive Director/CEO

FINANCIAL SECTION

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA
Gary L. Williams, CPA
Carleen P. Evans, CPA

Jennifer T. Reese, CPA
Curtis G. Van Horne, CPA
Cathy E. McKinley, CPA
Tara H. Roberson, CPA
K. Jamison Crampton, CPA

Independent Auditor's Report

To the Board of County Commissioners
Caswell County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Caswell County, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Caswell County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Caswell County as of June 30, 2013, 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, and the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefit Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 non-major fund financial statements, budgetary schedules, other schedules, and the statistical tables as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Implementation Act*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major 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. In our opinion, based on our audit, the procedures performed as described above, the combining and individual non-major 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 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 10, 2013, on our consideration of Caswell County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose 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 the 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.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, North Carolina
December 10, 2013

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, 2013. We encourage readers to read the information presented here in conjunction with additional information furnished in the County's financial statements, which follows this narrative.

Financial Highlights

- The assets and deferred outflows of resources of Caswell County's primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,588,499 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,777,708 (net position).
- The total assets and deferred outflows of resources of Caswell County's business type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,810,791 (net position).
- The government's total net position increased by \$48,721, primarily due to increased net position in the business-type activities.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$9,312,534; a decrease of \$3,534,213 in comparison to the prior year. Approximately 57.53 percent of this total amount, or \$5,357,906, is available for spending at the government's discretion (unassigned fund balance). Approximately \$3,207,693 of the loss in fund balance is attributed to the Law Enforcement Center.
- At the end of the current fiscal year, unassigned fund balanced for the General Fund was \$5,409,506 or 24.71 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt decreased by \$484,217, or 4.46% during the current fiscal year. The key factors in this increase are due to additional debt for the Law Enforcement Center.
- The County's tax rate for the current fiscal year is 0.6590 cents per \$100 valuation.

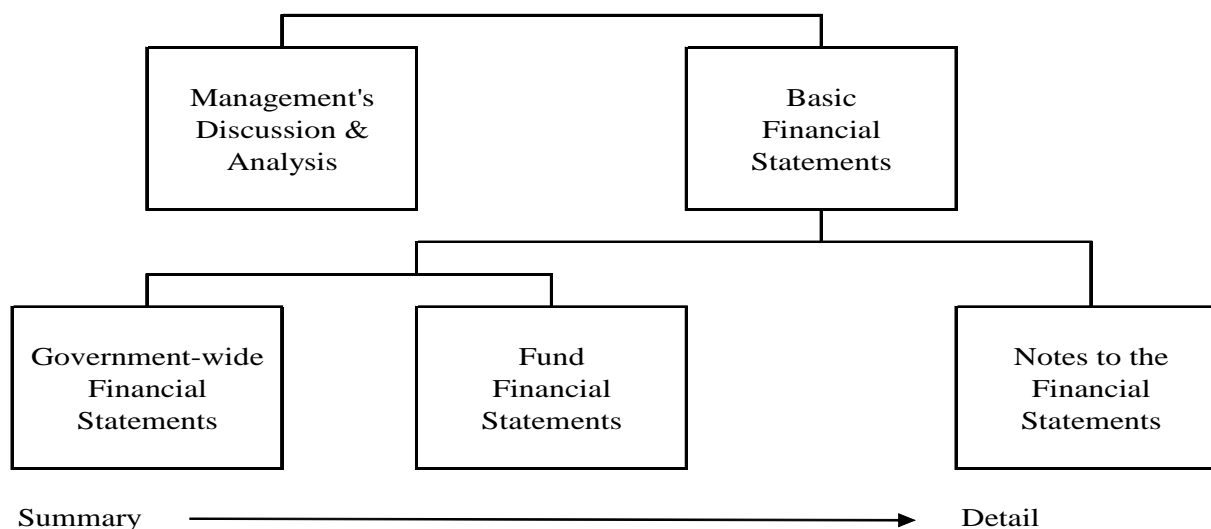
Overview of the Fiscal Statements

This discussion and analysis is 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. 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 10) 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 statement, 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** (Exhibits A-1 through C-13) 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** (Exhibits D-1 through D-2). 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** (Exhibit E-1 through E-2). 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 (Exhibits F-1 through F-2). 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 they have changed. Net position is the difference between the County's assets and deferred outflows of resources and 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 of the County's budget ordinance. All of the funds of Caswell County can be divided into three categories: governmental funds and 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 of Commissioners 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 with 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, changes to appropriations and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and changes. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary status.

Proprietary Funds – Caswell County has one kind of proprietary fund. *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 fund 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, two of which are expendable trust funds and two 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 40 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 68 - 71 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 liabilities and deferred inflows of resources by \$22,588,499 as of June 30, 2013. The County's net

position increased by \$48,721 for the fiscal year ended June 30, 2013. One of the largest portions \$15,210,491 (67.34%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. 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 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 \$3,379,060 (14.96%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,998,948 (17.7%) is unrestricted.

Caswell County's Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 11,050,745	\$ 15,304,460	\$ 1,374,596	\$ 1,341,116	\$ 12,425,341	\$16,645,576
Capital assets	<u>22,611,109</u>	<u>19,044,459</u>	<u>549,559</u>	<u>497,458</u>	<u>23,160,668</u>	<u>19,541,917</u>
Total assets	<u>33,661,854</u>	<u>34,348,919</u>	<u>1,924,155</u>	<u>1,838,574</u>	<u>35,586,009</u>	<u>36,187,493</u>
Deferred outflow of resources	<u>32,151</u>	<u>36,170</u>	<u>-</u>	<u>-</u>	<u>32,151</u>	<u>36,170</u>
Long-term liabilities outstanding	12,114,307	12,437,761	68,363	57,349	12,182,670	12,495,110
Other liabilities	<u>767,646</u>	<u>976,584</u>	<u>44,346</u>	<u>47,348</u>	<u>811,992</u>	<u>1,023,932</u>
Total liabilities	<u>12,881,953</u>	<u>13,414,345</u>	<u>112,709</u>	<u>104,697</u>	<u>12,994,662</u>	<u>13,519,042</u>
Deferred inflows of resources	<u>34,344</u>	<u>42,988</u>	<u>655</u>	<u>942</u>	<u>34,999</u>	<u>43,930</u>
Net position:						
Net Investment in capital assets	14,660,932	10,089,638	549,559	497,458	15,210,491	10,587,096
Restricted	3,379,060	6,703,496	-	-	3,379,060	6,703,496
Unrestricted	<u>2,737,716</u>	<u>4,013,709</u>	<u>1,261,232</u>	<u>1,235,477</u>	<u>3,998,948</u>	<u>5,249,186</u>
Total Net position	<u>\$ 20,777,708</u>	<u>\$ 20,806,843</u>	<u>\$ 1,810,791</u>	<u>\$ 1,732,935</u>	<u>\$22,588,499</u>	<u>\$22,539,778</u>

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 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 cost of these assets. The County's liabilities at June 30, 2013 include outstanding general obligation debt of \$1,794,159 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 positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.39%.
- Continued use of Debt Setoff Clearinghouse for certain debt collection.
- Increased collections of emergency medical services debt using outside collection agency.

Caswell County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 2,668,069	\$ 2,617,069	\$ 1,287,179	\$ 1,238,967	\$ 3,955,248	\$ 3,856,036
Operating grants and contributions	6,357,151	6,730,162	-	-	6,357,151	6,730,162
Capital grants and contributions	253,429	773,919	-	-	253,429	773,919
General revenues:						
Property taxes	9,848,060	10,008,923	-	-	9,848,060	10,008,923
Other taxes	3,011,766	2,905,489	50,813	54,075	3,062,579	2,959,564
Grants and contributions not restricted to specific programs	192,202	200,362	-	-	192,202	200,362
Other	238,848	134,015	17,008	4,786	255,856	138,801
Total revenues	<u>22,569,525</u>	<u>23,369,939</u>	<u>1,355,000</u>	<u>1,297,828</u>	<u>23,924,525</u>	<u>24,667,767</u>
Expenses:						
General government	2,776,985	2,558,821	-	-	2,776,985	2,558,821
Public safety	5,895,526	5,421,247	-	-	5,895,526	5,421,247
Environmental protection	85,682	83,539	-	-	85,682	83,539
Economic & physical dev	551,766	473,281	-	-	551,766	473,281
Human services	9,031,116	9,327,818	-	-	9,031,116	9,327,818
Cultural & recreational	677,478	577,194	-	-	677,478	577,194
Education	3,048,723	3,018,673	-	-	3,048,723	3,018,673
Interest on long-term debt	531,384	314,061	-	-	531,384	314,061
Solid waste	-	-	817,753	834,263	817,753	834,263
Transportation	-	-	459,391	403,303	459,391	403,303
Total expenses	<u>22,598,660</u>	<u>21,774,634</u>	<u>1,277,144</u>	<u>1,237,566</u>	<u>23,875,804</u>	<u>23,012,200</u>
Change in net assets before transfers and special items	(29,135)	1,595,305	77,856	60,262	48,721	1,655,567
Transfers	-	100,000	-	(100,000)	-	-
Change in net position	(29,135)	1,695,305	77,856	(39,738)	48,721	1,655,567
Net position, July 1	20,927,756	19,232,451	1,732,935	1,772,673	22,660,691	21,005,124
Restatement	(120,913)	-	-	-	(120,913)	-
Net position, June 30	<u>\$ 20,777,708</u>	<u>\$ 20,927,756</u>	<u>\$ 1,810,791</u>	<u>\$ 1,732,935</u>	<u>\$ 22,588,499</u>	<u>\$ 22,660,691</u>

Governmental activities. Governmental activities decreased the County's net position by \$29,135, thereby accounting for -58.6% of the total growth in the net position of Caswell County. Key elements of this decrease are as follows:

- Reduction in grants and contributions not restricted to specific programs.
- Slight reduction in property taxes levied for general purpose.

Business-type activities. Business-type activities increased Caswell County's net position by \$77,856. The key element of this increase is due to no appropriation of funds for transfer to the General Fund.

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 for appropriation in the general fund was \$6,238,919, while total fund balance reached \$7,846,651. 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 28.69% of general fund expenditures, while total fund balance represents 36.08% 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 24.87% of total General Fund expenditures, while total fund balance represents 36.08% of the same amount of expenditures. Fund balance for the General Fund increased \$53,477 from the prior year. Expenditures increased from the previous year by \$837,176 due to hiring of new employees for the Detention Center while revenues decreased \$239,562 primarily due to reduced sales and services revenues primarily caused by the delay in the completion and opening of the Detention Center.

The Special Fire District Fund is a major special revenue fund of Caswell County. At the end of the current fiscal year, the fund balance for this fund was \$28,543. This fund balance decreased over the prior year by \$54,589.

The Detention Center Project Fund is a major capital projects fund of Caswell County. At the end of the current fiscal year, the fund balance for this fund was \$704,274. This fund balance decreased over the prior year by \$3,207,693.

At June 30, 2013, the governmental funds of Caswell County reported a combined fund balance of \$9,312,534, a 27.51 percent decrease from last year. The primary reason for this decrease is due to the construction for the detention center.

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 16.77% or \$3,635,495. The largest change involved human services expenditures due to increased restricted intergovernmental revenues.

Proprietary Funds. Caswell County's enterprise 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 \$1,261,232. The total net position for the funds increased \$77,856. Other factors concerning the finances of these two funds have already been addressed in the discussion of Caswell County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Caswell County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 totals \$23,160,668 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, 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 and upgrades. Major construction was done during the year on the Detention Center.

Caswell County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
CIP	9,068,439	6,050,421	-	-	9,068,439	6,050,421
Buildings	7,138,543	7,350,057	-	-	7,138,543	7,350,057
Improvements	922,390	990,407	244,545	236,073	1,166,935	1,226,480
Equipment	1,394,646	1,133,970	70,119	93,694	1,464,765	1,227,664
Vehicles	816,247	1,003,299	197,395	130,191	1,013,642	1,133,490
Audiovisuals	10,577	11,672	-	-	10,577	11,672
Other Assets	2,333,495	1,577,550	-	-	2,333,495	1,577,550
Infrastructure	10,902	11,213	-	-	10,902	11,213
Total	\$ 22,611,109	\$ 19,044,459	\$ 549,559	\$ 497,458	\$ 23,160,668	\$ 19,541,917

Additional information on the County's capital assets can be found in Note III.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2013, Caswell County has a total debt outstanding of \$10,375,377, the majority of which is backed by the full faith and credit of the County.

Caswell County's Outstanding Debt
Figure 5

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Bonds	\$ 10,122,000	\$ 10,597,000
Plus: Premiums on Issuance	<u>14,159</u>	<u>15,928</u>
Total Bonds	10,136,159	10,612,928
Installment Purchases	<u>239,218</u>	<u>246,666</u>
Total	<u>\$ 10,375,377</u>	<u>\$ 10,859,594</u>

Caswell County's total debt decreased by \$484,217 (4.46 percent) during the past fiscal year, primarily due to scheduled debt payments made during the fiscal year.

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 'A'.

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 \$109,998,851. The County's current general obligation debt represents approximately .67% percent of total assessed value of taxable property.

Additional information regarding the County's long-term debt can be found in Note III.B.7.

Economic Factors and Next Year's Budget and Rates

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

- The County maintained prior year's ad valorem tax rate for the fiscal year 2013. Growth in tax base of the County is expected to continue at a moderate rate yielding increases in property tax revenues.
- On June 30, 2013, the unemployment rate for the County was 9.3% compared to the State's average of 8.8%. The unemployment rate is expected to continue to be an issue for the County's citizens and may drive demands for some services, particularly health and social services, higher.
- The County extended the revaluation scheduled for 2016.

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities

Property taxes and sales 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 expansion of some of these programs. The new Law Enforcement Center is likely to create additional 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. The County will begin renovation of the 911 Communication Center for completion by spring of 2014. The renovation will include upgraded equipment and a modern training facility.

Business-type Activities

Rates for Solid Waste and transportation services are expected to remain the same. The Solid Waste Fund will have added expenditures for equipment and vehicle upgrades. Revenues are expected to continue to grow at a slow pace for the business-type activities.

Request 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, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
ASSETS				
Cash and Investments	\$ 6,988,208	\$ 1,254,210	\$ 8,242,418	\$ 208,106
Restricted cash and investments	1,071,534	-	1,071,534	-
Taxes receivable	1,097,632	91,756	1,189,388	-
Accrued interest receivable on taxes	164,863	-	164,863	-
Accounts receivable	1,716,033	28,630	1,744,663	-
Prepaid items	12,475	-	12,475	4,811
Inventories	-	-	-	247,337
Capital assets				
Land, improvements, and construction in progress	9,984,309	37,500	10,021,809	6,000
Other capital assets, net of depreciation	12,626,800	512,059	13,138,859	95,326
Total Capital assets	22,611,109	549,559	23,160,668	101,326
Total Assets	<u>\$ 33,661,854</u>	<u>\$ 1,924,155</u>	<u>\$ 35,586,009</u>	<u>\$ 561,580</u>
DEFERRED OUTFLOWS OF RESOURCES				
	32,151	-	32,151	
LIABILITIES				
Accounts payable & accrued liabilities	\$ 441,372	\$ 44,346	\$ 485,718	\$ 98,989
Accrued interest payable	326,274	-	326,274	-
Long-term liabilities:				
Due within one year				
Bonds	695,000	-	695,000	-
Installment obligations	151,403	-	151,403	-
Compensated absences	151,396	4,938	156,334	-
Due in more than one year				
Bonds	9,441,159	-	9,441,159	-
Installment obligations	87,815	-	87,815	-
Compensated absences	454,189	14,811	469,000	-
Net pension obligation	286,534	-	286,534	-
Other postemployment benefits	846,811	48,614	895,425	-
Total Long-term liabilities	12,114,307	68,363	12,182,670	-
Total Liabilities	12,881,953	112,709	12,994,662	98,989
DEFERRED INFLOWS OF RESOURCES				
	34,344	655	34,999	-
NET POSITION				
Net investment in capital assets	14,660,932	549,559	15,210,491	101,326
Restricted for:				
Register of deeds	30,474	-	30,474	-
Stabilization by State statute	1,757,674	-	1,757,674	-
General Government	377,450	-	377,450	-
Public Safety	918,343	-	918,343	-
Economic Development	26,219	-	26,219	-
Human Services	16,968	-	16,968	-
Cultural and Recreational	50,430	-	50,430	-
Education	201,502	-	201,502	-
Working capital	-	-	-	63,683
Unrestricted (deficit)	2,737,716	1,261,232	3,998,948	297,582
Total net position	<u>\$ 20,777,708</u>	<u>\$ 1,810,791</u>	<u>\$ 22,588,499</u>	<u>\$ 462,591</u>

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	Caswell County ABC Board
Primary Government:								
Governmental Activities:								
General government	\$ 2,776,985	\$ 225,038	\$ 3,750	\$ -	\$ (2,548,197)	\$ -	\$ (2,548,197)	
Public safety	5,895,526	1,183,729	339,088	-	(4,372,709)	-	(4,372,709)	
Environmental protection	85,682	-	-	-	(85,682)	-	(85,682)	
Economic and physical development	551,766	25,086	22,058	253,429	(251,193)	-	(251,193)	
Human services	9,031,116	1,165,352	5,777,624	-	(2,088,140)	-	(2,088,140)	
Cultural and recreation	677,478	68,864	132,199	-	(476,415)	-	(476,415)	
Education	3,048,723	-	82,432	-	(2,966,291)	-	(2,966,291)	
Interest on long-term debt	531,384	-	-	-	(531,384)	-	(531,384)	
Total governmental activities	<u>22,598,660</u>	<u>2,668,069</u>	<u>6,357,151</u>	<u>253,429</u>	<u>(13,320,011)</u>	<u>-</u>	<u>(13,320,011)</u>	
Business-type activities:								
Solid waste management fund	817,753	837,362	-	-	-	19,609	19,609	
Caswell division of transportation	459,391	449,817	-	-	-	(9,574)	(9,574)	
Total business-type activities	<u>1,277,144</u>	<u>1,287,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,035</u>	<u>10,035</u>	
Total primary government	<u>\$ 23,875,804</u>	<u>\$ 3,955,248</u>	<u>\$ 6,357,151</u>	<u>\$ 253,429</u>	<u>(13,320,011)</u>	<u>10,035</u>	<u>(13,309,976)</u>	
Component units:								
Caswell County ABC Board	<u>\$ 1,961,497</u>	<u>\$ 1,971,126</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 9,629</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					9,848,060	-	9,848,060	-
Local option sales tax					2,654,274	-	2,654,274	-
Other taxes					357,492	50,813	408,305	-
Grants and contributions not restricted to specific programs					192,202	-	192,202	-
Investment earnings, unrestricted					12,328	2,144	14,472	171
Miscellaneous, unrestricted					226,520	14,864	241,384	200
Total general revenues					<u>13,290,876</u>	<u>67,821</u>	<u>13,358,697</u>	<u>371</u>
Change in net position					(29,135)	77,856	48,721	10,000
Net position - beginning					20,927,756	1,732,935	22,660,691	452,591
Restatement					(120,913)	-	(120,913)	-
Net position - beginning, as restated					<u>20,806,843</u>	<u>1,732,935</u>	<u>22,539,778</u>	<u>452,591</u>
Net position - ending					<u>\$ 20,777,708</u>	<u>\$ 1,810,791</u>	<u>\$ 22,588,499</u>	<u>\$ 462,591</u>

The notes to the financial statements are an integral part of this statement.

**FUND
FINANCIAL STATEMENTS**

CASWELL COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Major Special Fire District Fund	Detention Center Project Fund	Non-major Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 6,127,346	\$ 84,327	\$ -	\$ 776,535	\$ 6,988,208
Restricted cash and investments	458,485	-	613,049	-	1,071,534
Taxes receivable	874,275	223,357	-	-	1,097,632
Accounts receivable	1,587,960	928	92,433	34,712	1,716,033
Due from other funds	41,641	-	-	-	41,641
Prepaid items	12,475	-	-	-	12,475
Total Assets	<u>\$ 9,102,182</u>	<u>\$ 308,612</u>	<u>\$ 705,482</u>	<u>\$ 811,247</u>	<u>\$ 10,927,523</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable & accrued liabilities	\$ 346,912	\$ 56,712	\$ 1,208	\$ 36,540	\$ 441,372
Due to other funds	-	-	-	41,641	41,641
Total Liabilities	<u>346,912</u>	<u>56,712</u>	<u>1,208</u>	<u>78,181</u>	<u>483,013</u>
Deferred inflows of resources:	<u>908,619</u>	<u>223,357</u>	<u>-</u>	<u>-</u>	<u>1,131,976</u>
Fund balances:					
Nonspendable:					
Prepaid	12,475	-	-	-	12,475
Restricted:					
Stabilization by State statute	1,629,601	928	92,433	34,712	1,757,674
Register of Deeds	30,474	-	-	-	30,474
Education	201,502	-	-	-	201,502
General Government	-	-	-	377,450	377,450
Public Safety	-	27,615	611,841	278,887	918,343
Economic Development	-	-	-	26,219	26,219
Human Services	-	-	-	16,968	16,968
Cultural and Recreational	-	-	-	50,430	50,430
Committed:					
Tax Revaluation	226,509	-	-	-	226,509
Assigned:					
Subsequent year's expenditures	370,928	-	-	-	370,928
Unassigned:	<u>5,375,162</u>	<u>-</u>	<u>-</u>	<u>(51,600)</u>	<u>5,323,562</u>
Total Fund Balances	<u>7,846,651</u>	<u>28,543</u>	<u>704,274</u>	<u>733,066</u>	<u>9,312,534</u>
Total Liabilities, Deferred inflows of resources, and Fund Balances	<u>\$ 9,102,182</u>	<u>\$ 308,612</u>	<u>\$ 705,482</u>	<u>\$ 811,247</u>	<u>\$ 10,927,523</u>

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2013

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

Total equity and other credits (Exhibit 4)	\$ 9,312,534
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	22,611,109
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	197,014
Liabilities for earned but deferred revenues in the fund statements	1,097,632
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(12,440,581)</u>
Net position of governmental activities (Exhibit 1)	<u><u>\$ 20,777,708</u></u>

**CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Major Special Fire District Fund	Detention Center Project Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 10,029,741	\$ 19,771	\$ -	\$ -	\$ 10,049,512
Other licenses and taxes	2,037,365	339,896	-	-	2,377,261
Unrestricted intergovernmental revenues	192,202	-	-	-	192,202
Restricted intergovernmental revenues	6,797,482	-	-	461,699	7,259,181
Permits and fees	461,549	-	-	-	461,549
Sales and services	2,103,642	-	-	-	2,103,642
Investment earnings	7,398	-	3,853	1,077	12,328
Miscellaneous	172,869	-	92,433	50,000	315,302
Total Revenues	21,802,248	359,667	96,286	512,776	22,770,977
EXPENDITURES					
Current					
General government	2,538,192	-	-	-	2,538,192
Public safety	5,185,292	445,756	-	157,546	5,788,594
Cultural and recreational	529,239	-	-	-	529,239
Environmental protection	84,601	-	-	-	84,601
Economic and physical development	275,617	-	-	251,074	526,691
Human services	9,169,801	-	-	-	9,169,801
Capital outlay	-	-	3,303,979	483,201	3,787,180
Intergovernmental					
Education	3,048,865	-	-	-	3,048,865
Debt Service					
Principal	628,848	-	-	-	628,848
Interest	349,579	-	-	-	349,579
Total Expenditures	21,810,034	445,756	3,303,979	891,821	26,451,590
Revenues Over (Under) Expenditures	(7,786)	(86,089)	(3,207,693)	(379,045)	(3,680,613)
OTHER FINANCING SOURCES (USES)					
Debt issued	146,400	-	-	-	146,400
Premium on debt	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Transfers from other funds	-	31,500	-	53,637	85,137
Transfers to other funds	(85,137)	-	-	-	(85,137)
Total Other Financing Sources (Uses)	61,263	31,500	-	53,637	146,400
Net Change in Fund Balances	53,477	(54,589)	(3,207,693)	(325,408)	(3,534,213)
Fund Balance - July 1	7,793,174	83,132	3,911,967	1,058,474	12,846,747
Fund Balance - June 30	\$ 7,846,651	\$ 28,543	\$ 704,274	\$ 733,066	\$ 9,312,534

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Amounts reported for governmental activities in the statement of activities on Exhibit 2 are different because:

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (3,534,213)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	3,566,650
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(344,312)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	484,217
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(201,477)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ (29,135)</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 FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund			Variance with Final Positive Negative
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 9,862,813	\$ 9,882,813	\$ 10,029,741	\$ 146,928
Other taxes and licenses	19,256	1,954,122	2,037,365	83,243
Restricted intergovernmental revenues	5,766,292	8,363,895	6,797,482	(1,566,413)
Unrestricted intergovernmental revenues	2,125,426	205,560	192,202	(13,358)
Permits and fees	1,026,955	538,872	461,549	(77,323)
Sales and services	1,862,227	2,523,509	2,103,642	(419,867)
Investment earnings	16,400	6,500	6,796	296
Miscellaneous	-	165,090	172,869	7,779
Total Revenues	20,679,369	23,640,361	21,801,646	(1,838,715)
EXPENDITURES				
General government	2,458,859	2,709,293	2,538,192	171,101
Public safety	5,122,844	6,209,008	5,185,292	1,023,716
Environmental protection	89,417	89,417	84,601	4,816
Economic and physical development	264,497	347,491	275,617	71,874
Human services	8,381,651	10,426,300	9,169,801	1,256,499
Cultural and recreational	253,749	617,163	529,239	87,924
Intergovernmental:				
Education	3,048,865	3,048,865	3,048,865	-
Debt Service	1,134,786	1,078,541	978,427	100,114
Contingency	22,084	3,532	-	3,532
Total Expenditures:	20,776,752	24,529,610	21,810,034	2,719,576
Revenues Over (Under) Expenditures	(97,383)	(889,249)	(8,388)	880,861
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	399,806	927,909	-	(927,909)
Debt proceeds	-	146,400	146,400	-
Transfers from other funds	604,100	604,100	604,100	-
Transfers to other funds	(906,523)	(789,160)	(771,370)	17,790
Total Other Financing Sources (Uses)	97,383	889,249	(20,870)	(910,119)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	(29,258)	\$ (29,258)
Fund Balance - July 1, as restated			7,447,898	
Fund Balance - June 30			\$ 7,418,640	
A legally budgeted Tax Revaluation Fund and School Capital Reserve Fund for reporting purposes:				
Revaluation Fund				
Investment Earnings			497	
Transfer-in from General Fund			30,000	
Fund Balance, Beginning			196,012	
School Capital Reserve Fund				
Investment Earnings			105	
Transfer-in from General Fund			656,233	
Transfer-out to General Fund			(604,100)	
Fund Balance, Beginning			149,264	
Fund Balance, Ending (Exhibit 4)			\$ 7,846,651	

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Fire District Fund			Variance with Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>REVENUES</u>				
Ad valorem taxes	\$ 21,210	\$ 21,210	\$ 19,771	\$ (1,439)
Other taxes and licenses	304,000	306,000	339,896	33,896
Restricted intergovernmental revenues	-	-	-	-
Unrestricted intergovernmental revenues	-	-	-	-
Permits and fees	-	-	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	325,210	327,210	359,667	32,457
<u>EXPENDITURES</u>				
General government	-	-	-	-
Public safety	356,710	447,942	445,756	2,186
Environmental protection	-	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Cultural and recreational	-	-	-	-
Intergovernmental:				
Education	-	-	-	-
Debt Service	-	-	-	-
Contingency	-	-	-	-
Total Expenditures:	356,710	447,942	445,756	2,186
Revenues Over (Under) Expenditures	(31,500)	(120,732)	(86,089)	34,643
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	89,232	-	(89,232)
Debt proceeds	-	-	-	-
Transfers from other funds	31,500	31,500	31,500	-
Transfers to other funds	-	-	-	-
Total Other Financing Sources (Uses)	31,500	120,732	31,500	(89,232)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	(54,589)	\$ (54,589)
Fund Balance - July 1, as restated			83,132	
Fund Balance - June 30			\$ 28,543	

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Enterprise Funds		
	Major Solid Waste Management	Non-major Caswell Division of Transportation	Total Enterprise Funds
<u>ASSETS</u>			
Current Assets:			
Cash and investments	\$ 1,115,703	\$ 138,507	\$ 1,254,210
Taxes receivable	91,756	-	91,756
Accounts receivable	14,283	14,347	28,630
Total Current Assets	<u>1,221,742</u>	<u>152,854</u>	<u>1,374,596</u>
Noncurrent Assets:			
Capital assets:			
Land, improvements, and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	83,919	428,140	512,059
Total Noncurrent Assets	<u>121,419</u>	<u>428,140</u>	<u>549,559</u>
Total Assets	<u>\$ 1,343,161</u>	<u>\$ 580,994</u>	<u>\$ 1,924,155</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
Current Liabilities:			
Accounts Payable	\$ 41,723	\$ 2,623	\$ 44,346
Compensated absences payable	2,306	2,632	4,938
Total Current Liabilities	<u>44,029</u>	<u>5,255</u>	<u>49,284</u>
Noncurrent Liabilities:			
Compensated absences payable	6,916	7,895	14,811
Other postemployment benefits	16,175	32,439	48,614
Total Noncurrent Liabilities	<u>23,091</u>	<u>40,334</u>	<u>63,425</u>
Total Liabilities	<u>67,120</u>	<u>45,589</u>	<u>112,709</u>
Deferred Inflows of Resources:	<u>-</u>	<u>655</u>	<u>655</u>
Net Position			
Net investment in capital assets	121,419	428,140	549,559
Unrestricted	<u>1,154,622</u>	<u>106,610</u>	<u>1,261,232</u>
Total Net Position	<u>\$ 1,276,041</u>	<u>\$ 534,750</u>	<u>\$ 1,810,791</u>

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Enterprise Funds		
	Major	Non-major	
	Solid Waste Management	Caswell Division of Transportation	Total Enterprise Funds
OPERATING REVENUES			
Charges for services - user fees	\$ 837,362	\$ 449,817	\$ 1,287,179
Miscellaneous	-	14,864	14,864
Total operating revenue	837,362	464,681	1,302,043
OPERATING EXPENSES			
Administration			
Salaries	-	75,725	75,725
Other expenses	-	62,372	62,372
Operations:			
Salaries	124,372	170,881	295,253
Other expenses	664,314	91,812	756,126
Depreciation	29,067	58,601	87,668
Total operating expenses	817,753	459,391	1,277,144
OPERATING INCOME (LOSS)	19,609	5,290	24,899
NONOPERATING REVENUES (EXPENSES)			
Interest earned on investments	683	463	1,146
Interest earned on interfund loan	998	-	998
Disposal Tax	50,813	-	50,813
Loss on disposal of assets	-	-	-
Total Nonoperating Revenues	52,494	463	52,957
INCOME BEFORE TRANSFERS	72,103	5,753	77,856
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total Transfers	-	-	-
CHANGE IN NET POSITION	72,103	5,753	77,856
TOTAL NET POSITION-BEGINNING	1,203,938	528,997	1,732,935
TOTAL NET POSITION-ENDING	\$ 1,276,041	\$ 534,750	\$ 1,810,791

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Enterprise Funds		
	Major	Non-major	
	Solid Waste Management	Caswell Division of Transportation	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers	\$ 840,498	\$ 449,367	\$ 1,289,865
Cash paid for goods and services	(570,446)	(132,076)	(702,522)
Cash paid to employees for services	(124,372)	(246,606)	(370,978)
Net cash provided by operating activities	145,680	70,685	216,365
Cash flows from noncapital activities:			
Disposal tax	50,813	-	50,813
Net cash from noncapital financing activities	50,813	-	50,813
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(139,769)	(139,769)
Cash flows from investing activities:			
Interest on interfund loan	998	-	998
Interest on investments	683	463	1,146
Net cash flows from investing activities	1,681	463	2,144
Net increase in cash and cash equivalents	198,174	(68,621)	129,553
Cash and cash equivalents, July 1	917,529	207,128	1,124,657
Cash and cash equivalents, June 30	\$ 1,115,703	\$ 138,507	\$ 1,254,210
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 19,609	\$ 5,290	\$ 24,899
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	29,067	58,601	87,668
Change in assets and liabilities:			
(Increase) decrease in taxes receivable	(6,264)	-	(6,264)
(Increase) decrease in accounts receivable	3,136	(450)	2,686
(Increase) decrease in due from other funds	99,650	-	99,650
Increase (decrease) in accounts payable and accrued liabilities	(3,463)	461	(3,002)
Increase (decrease) in compensated absences payable	599	91	690
Increase (decrease) in other postemployment benefits	3,346	6,979	10,325
Increase (decrease) in unearned revenue	-	(287)	(287)
Total adjustments	126,071	65,395	191,466
Net cash provided by operating activities	\$ 145,680	\$ 70,685	\$ 216,365

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Pension Trust Fund	Agency Funds
ASSETS		
Cash	\$ 5,656	\$ 9,336
Accounts receivable	-	5,746
Total Assets	<u>\$ 5,656</u>	<u>\$ 15,082</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 15,082
Total Liabilities	-	15,082
Net Position		
Held in trust for pension benefits	5,656	-
Total Liabilities and Net Position	<u>\$ 5,656</u>	<u>\$ 15,082</u>

The notes to the financial statements are an integral part of this statement.

CASWELL COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund
Additions:	
Contribution from General Fund	\$ 25,000
Investment income interest	15
Total	<u>25,015</u>
Deductions:	
Retiree salaries	24,332
Retiree benefits	1,726
Total	<u>26,058</u>
Changes in net position	(1,043)
Net position held in trust for beneficiary benefit - beginning of year	<u>6,699</u>
Net position held in trust for beneficiary benefit - end of year	<u>\$ 5,656</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 unit, 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 to emphasize that 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 business-type activity 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. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and*

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

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.

Special Fire District Fund. This special revenue fund is used to account for ad valorem, fire taxes, and sales taxes collected for the purpose of funding the special fire districts in the area.

Detention Center Project Fund. This capital projects fund is used to account for funds set aside for the construction of the detention center.

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:

Trust Funds. The County has one trust fund, the pension trust-special separation allowance fund, that accounts for the accumulation of resources to be used for the payment of special separation benefits to qualified law enforcement officers.

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 moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures, DMV Interest 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, the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles, and the fees collected by the Register of Deeds that the County is required to remit to the North Carolina Department of Crime Control and Public Safety; 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 ten legally budgeted funds. The Emergency Telephone System, Revolving Loan, and Special Grants Fund are reported as non-major special revenue funds. The County

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Building, Equipment and Automation, Water and Sewer, School Capital Projects, Scattered Site, Library Development, and Senior Center Project Fund are reported as capital projects funds.

C. Measurement Focus and Basis of Accounting

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

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

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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Caswell County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly-registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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 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, all of 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 (the 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 Enterprise Funds, and at the object level for the Capital Projects 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 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.

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

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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 securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, 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 and the Public Facilities Company consider 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 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.

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 on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

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.

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 are recorded at their estimated fair value at the date of donation. Minimum

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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, after 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 are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Useful Life</u>
Land improvements	15 years
Building, improvements, and other plant assets	15 years
Infrastructure	50 years
General equipment	5-10 years
Vehicles	5-10 years

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

	<u>Useful Life</u>
Buildings	20-33 years
Equipment (warehouse, store, and office)	4-12 years
Vehicles	4-5 years
Leasehold Improvements	8 years

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 one item that meets this criterion – a charge on refunding that had previously been classified as an asset. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows or 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 be recognized as revenue until then. The County has only one item that meets the criterion for this category – prepaid taxes.

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.

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In the fund financial statements for governmental fund types, the face amount of debt issued is reported as 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. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The county's liability for accumulated earned vacation and the salary-related payments as of June 30, 2013 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 accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represent 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.

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

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

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Restricted for Public Safety-portion of fund balance that is restricted by revenue source for public safety

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

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 resolution by the Board of Commissioners.

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

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

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-county funds, 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.

F. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$ 11,465,174 consists of the following:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 34,415,086
Less Accumulated Depreciation	<u>(11,803,977)</u>
Net capital assets	<u>22,611,109</u>

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Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements.	164,863
Deferred charges related to advance refunding bond issued – included on government-wide statements as these funds are not available and therefore deferred in the fund statements	32,151
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide.	1,097,632
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Premium on bonds	(14,159)
Bonds, leases, and installment financing	(10,361,218)
Net pension obligation	(286,534)
Compensated absences	(605,585)
Accrued interest payable	(326,274)
Other postemployment obligations	(846,811)
Total adjustment	<u>\$ 11,465,174</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The government fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$ 3,505,078 is comprised of the following:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,410,680
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	(785,783)
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	(146,400)
Cost of disposed capital asset not recorded in fund statements.	(58,247)
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	628,848
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements	1,769

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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)	(179,555)
Amortization on deferred charges-refunding costs that is recorded in the statement of activities but not in the fund statements	(4,019)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(6,046)
Net pension obligation is accrued in the government-wide statements but not in the fund statements because they do not use current resources	(16,507)
Postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(138,210)

Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements

Reversal of deferred tax revenue recorded at 7-1-12	(1,206,786)
Recording of tax receipts deferred in the fund statements as of 6-30-13	1,097,632
Increase in accrued interest receivable for year ended 6-30-13	<u>(92,298)</u>

Total adjustment \$ 3,505,078

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Balances or Net Position of Individual Funds

In Exhibit C-1, the following funds had a deficit fund balance as follows:

	<u>Amount</u>
School Capital Projects Fund	\$ 426
Water and Sewer Fund	51,176

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

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 agents in the County's, the Board's, 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'

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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 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.

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 has no formal policy regarding custodial credit risk for deposits.

At June 30, 2013, the County's deposits had a carrying amount of \$3,084,733 and a bank balance of \$3,265,215. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$2,765,215 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2013, the carrying amount of deposits for the ABC Board was \$203,131, and the bank balance of \$202,713. All of the bank balance was covered by federal depository insurance. At June 30, 2013, the ABC Board had \$4,975 in petty cash and change funds.

2. Investments

At June 30, 2013, the County's investments consisted of \$6,244,211, in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poors. 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 forestland may be taxed by the County at 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.

<u>Year</u> <u>Levied</u>	<u>Total</u> <u>Taxes</u>	<u>Interest</u>	<u>Total</u>
2010	\$1,035,106	\$ 275,155	\$ 1,310,261
2011	1,111,278	295,403	1,406,681
2012	1,137,573	302,393	1,439,966
2013	<u>1,153,267</u>	<u>-</u>	<u>1,153,267</u>
Totals	<u>\$ 4,437,224</u>	<u>\$ 872,951</u>	<u>\$ 5,310,175</u>

4. Receivables

Receivables at the government-wide level at June 30, 2013, were as follows:

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	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,727,727	\$ 1,189,138	\$ 191,288	\$ 4,108,153
Special Fire District	928	223,357	-	224,285
Detention Center Project Fund	-	-	92,433	92,433
Other Governmental	<u>34,712</u>	<u>-</u>	<u>-</u>	<u>34,712</u>
Total	2,763,367	1,412,495	283,721	4,459,583
Allowance for doubtful accounts	<u>(1,331,055)</u>	<u>(150,000)</u>	<u>-</u>	<u>(1,481,055)</u>
Net-governmental activities	<u>\$ 1,432,312</u>	<u>\$ 1,262,495</u>	<u>\$ 283,721</u>	<u>\$ 2,978,528</u>
Business-type Activities:				
Solid Waste	\$ 22,383	\$ 91,756	\$ -	\$ 114,139
CDOT	<u>14,347</u>	<u>-</u>	<u>-</u>	<u>14,347</u>
Total	36,730	91,756	-	128,486
Allowance for doubtful accounts	<u>(8,100)</u>	<u>-</u>	<u>-</u>	<u>(8,100)</u>
Total-business-type activities	<u>\$ 28,630</u>	<u>\$ 91,756</u>	<u>\$ -</u>	<u>\$ 120,386</u>

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

Sales tax refund \$ 283,721

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in progress	<u>6,050,421</u>	<u>3,787,180</u>	<u>-</u>	<u>(769,162)</u>	<u>9,068,439</u>
Total capital assets not being depreciated	<u>6,966,421</u>	<u>3,787,180</u>	<u>-</u>	<u>(769,162)</u>	<u>9,984,309</u>
Capital assets being depreciated:					
Buildings	11,573,333	-	-	-	11,573,333
Improvements	2,267,048	-	-	-	2,267,048
Equipment	3,425,538	497,224	-	-	3,922,762
Vehicles	2,276,002	66,502	273,093	-	2,069,411
Audio visual	105,771	-	-	-	105,771
Other Assets	3,646,239	59,774	-	769,162	4,475,175
Infrastructure	<u>17,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,277</u>
Total capital assets being depreciated	<u>23,311,208</u>	<u>623,500</u>	<u>273,093</u>	<u>769,162</u>	<u>24,430,477</u>

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	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Less accumulated depreciation for:					
Buildings	4,223,276	211,514	-	-	4,434,790
Improvements	1,276,641	68,017	-	-	1,344,658
Equipment	2,291,568	236,548	-	-	2,528,116
Vehicles	1,272,703	195,307	214,846	-	1,253,164
Audio visuals	94,099	1,095	-	-	95,194
Other assets	2,068,689	72,991	-	-	2,141,680
Infrastructure	6,064	311	-	-	6,375
Total accumulated depreciation	11,233,040	\$ 785,783	\$ 214,846	\$ -	11,803,977
Total capital assets being depreciated, net	12,078,168				12,626,800
Governmental activity capital assets, net	<u>\$ 19,044,459</u>				<u>\$ 22,611,109</u>
Business-type activities:					
Solid Waste					
Capital assets not being depreciated:					
Land	\$ 37,500	\$ -	\$ -	\$ -	\$ 37,500
Capital assets being depreciated:					
Buildings	14,017	-	-	-	14,017
Land improvements	120,417	-	-	-	120,417
General Equipment	321,703	-	-	-	321,703
Vehicles	66,709	-	-	-	66,709
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated	926,521	-	-	-	926,521
Less accumulated depreciation for:					
Buildings	14,017	-	-	-	14,017
Land improvements	115,851	2,217	-	-	118,068
General Equipment	230,807	22,903	-	-	253,710
Vehicles	49,185	3,947	-	-	53,132
Other assets	403,675	-	-	-	403,675
Total accumulated depreciation	813,535	\$ 29,067	\$ -	\$ -	842,602
Total capital assets being depreciated, net	112,986				83,919
Solid Waste capital assets, net	<u>\$ 150,486</u>				<u>\$ 121,419</u>
Caswell Division of Transportation					
Capital assets being depreciated:					
Building improvements	\$ 231,507	\$ -	\$ -	\$ -	\$ 231,507
Land improvements	-	16,900	-	-	16,900
Computer equipment	10,190	-	-	-	10,190
Vehicles	361,302	122,869	115,577	-	368,594
Total capital assets not being depreciated	602,999	231,507	115,577	-	627,191
Less accumulated depreciation for:					
Building improvements	-	5,788	-	-	5,788
Land improvements	-	423	-	-	423
Computer equipment	7,392	672	-	-	8,064
Vehicles	248,635	51,718	115,577	-	184,776
Total accumulated depreciation	256,027	\$ 55,601	\$ 115,577	\$ -	199,051
Total capital assets being depreciated, net	346,972				428,140
Caswell Div. Transportation capital assets, net	<u>346,972</u>				<u>428,140</u>
Business-type activities capital assets, net	<u>\$ 497,458</u>				<u>\$ 549,559</u>

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Caswell County ABC Board					
Capital assets not being depreciated:					
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Total capital assets not being depreciated	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Capital assets being depreciated:					
Buildings	160,356	-	-	-	160,356
Warehouse equipment	3,652	-	1,326	-	2,326
Vehicles	16,496	-	-	-	16,496
Office furniture and equipment	18,892	-	-	-	18,892
Store fixtures and equipment	87,860	3,600	-	-	91,460
Land-Stoney Creek and Semora	-	6,000	-	-	6,000
Leasehold improvements	14,627	1,325	-	-	15,952
Total capital assets being depreciated	<u>301,882</u>	<u>10,925</u>	<u>1,326</u>	<u>-</u>	<u>305,482</u>
Less accumulated depreciation for:					
Assets being depreciated	<u>203,602</u>	<u>6,554</u>	<u>-</u>	<u>-</u>	<u>210,156</u>
Total accumulated depreciation	<u>203,602</u>	<u>\$ 6,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>210,156</u>
Total capital assets being depreciated, net	<u>98,280</u>				<u>95,326</u>
ABC Board capital assets – net	<u>\$ 104,280</u>				<u>\$ 101,326</u>

Depreciation expense was charged to functions/program of governmental activity capital assets as follows:

General Government	\$ 155,553
Public Safety	353,609
Economic and Physical Development	21,095
Human Services	83,642
Cultural and Recreational	171,884
Total Depreciation Expense	<u>\$ 785,783</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2013, were as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 346,912
Special Fire District	56,712
Detention Center Project Fund	1,208
Other governmental	36,540
Total-governmental activities	<u>\$ 441,372</u>
Business-type Activities:	
Solid Waste	\$ 41,723
CDOT	2,623
Total-business-type activities	<u>\$ 44,346</u>

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2. Pension Plan & Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description – Caswell County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% respectively, and 6.77% of annual covered payroll. The current rate for DSS employees is 6.74% of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.62% of annual covered payroll. The contribution requirements of members and of Caswell County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2011, 2012, and 2013 were \$525,845, \$515,770, and \$479,055, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2012, and 2013 were \$7,370, \$8,837, and \$7,905, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

b. Law Enforcement Officer's 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. 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. The Separation Allowance is reported in the County's report as a pension trust fund.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>40</u>
Total	<u>42</u>

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A separate report was not issued for the plan.

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.

Method Used to Value Investments-No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. 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 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. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) medical cost trend rate of 4.25 % to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll dollars on a closed basis. The remaining amortization period at December 31, 2012, was 18 years.

<u>Fiscal Year Ended</u>	<u>Three-Year Trend Information</u>		<u>Net Pension Obligation</u>
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	
2011	\$ 42,425	48.67%	\$ 250,917
2012	40,606	52.94%	270,027
2013	\$ 40,839	59.58%	\$ 286,534

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/13

Employer annual required contribution	\$ 44,142
Interest on net pension obligation	13,501
Adjustment to annual required contribution	<u>(16,804)</u>
Annual pension cost	40,839
Employer contributions made for fiscal year ending 6/30/13	<u>24,332</u>
Increase (decrease) in net pension obligation	16,507
Net pension obligation beginning of fiscal year	<u>270,027</u>
Net pension obligation end of fiscal year	<u>\$ 286,534</u>

**CASWELL COUNTY, NORTH CAROLINA
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4. Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was 0.00% funded. The actuarial accrued liability for benefits was \$408,290, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$408,290. The covered payroll (annual payroll of active employees covered by the plan) was \$1,240,609, and the ratio of the UAAL to the covered payroll was 32.91 percent.

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 plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contributions pension plan administered by the Department of 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, 2013, were \$116,064, which consisted of \$60,183 from the County and \$55,881 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description – Caswell County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that 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. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – On a monthly basis, the County remits to the North Carolina Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the

**CASWELL COUNTY, NORTH CAROLINA
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Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administer the Fund. For the fiscal year ended June 30, 2013, the County's required and actual contributions were \$1,406.

e. Other Postemployment Benefits

Healthcare Benefits

Plan Description –Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (HCB Plan). According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). The amount of benefit coverage is determined one of four ways – (1) If an individual has 30 years or more service with the county, then the County pays for 100% of the cost of coverage (2) If an individual had 25 years in the System, but at least 15 of those years are with the County, then the County pays for 100% of cost of coverage (3) If an individual has 20 years in the System, but at least 15 of those years with the county, then the County pays 75% of the cost of coverage (4) If an individual was hired before December 18, 2002, the County pays the following percentage of the cost of health insurance: 20 years or more, then the County pays 100% of the cost of coverage; 15-19 years, then the County pays 75% and 10-14 years, then the County pays 50% of the cost of coverage. The County pays the full cost of coverage for these benefits through private insurers. The Board of Commissioners may amend the benefit provisions. A separate report was note issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees receiving benefits	21	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>197</u>	<u>35</u>
Total	<u>218</u>	<u>37</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 County Board of Commissioners. The County doesn't offer the option for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 4.21% of annual covered payroll. For the current year, the County contributed \$163,088 or 2.2% 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 \$163,088 and 2.2% of covered payroll, respectively. The County's obligation to contribute to HCB Plan is established and may be amended by the County Board of Commissioners.

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

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.

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	\$ 310,288
Interest on net OPEB obligation	29,876
Adjustment to annual required contribution	<u>(28,540)</u>
Annual OPEB cost (expense)	311,623
Contributions made	<u>(163,088)</u>
Increase (decrease) in net OPEB obligation	148,535
Net OPEB obligation, beginning of year	<u>746,890</u>
Net OPEB obligation, end of year	<u>\$ 895,425</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2013 were as follows:

For Year Ended <u>June 30</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2011	\$ 258,829	59.7%	\$ 590,125
2012	311,343	49.6%	746,890
2013	\$ 311,623	52.3 %	\$ 895,425

Funded Status and Funding Process – As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$3,450,794. The covered payroll (annual payroll of active employees covered by the plan) was \$7,357,897, and the ratio of the UAAL to the covered payroll was 46.9 percent.

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

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

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 9.50 to 5.00 percent. 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, 2011, was 30 years.

f. Other Employment Benefits

According to a County resolution, the County provides health care benefits to retirees' of the County who participate in the North Carolina Local Governmental Employees' Retirement System (system). The amount of benefit coverage is determined one of four ways – (1) If an individual has 30 years or more of service with the County, then the County pays for 100% of the cost of coverage (2) If an individual had 25 years in the System, but at least 15 of those years are with the County, then the County pays for 100% cost of coverage (3) If an individual has 20 years in the System, but at least 15 of those years with the County, then the County pays 75% of the cost of coverage (4) If an individual was hired before December 18, 2002, the County pays the following percentage of the cost of health insurance: 20 years or more, then the County pays 100% of the cost of coverage; 15-19 years, then the County pays 75% and 10-14 years, then the County pays 50% of the cost of coverage. Currently, sixteen retirees are eligible for post-employment health benefits. For the fiscal year ended June 30, 2013, the County made payments for post employment health benefit premiums of \$122,623. The County obtains health care coverage through private insurers.

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 may not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

3. Deferred Outflows and Inflows of Resources/Unearned Revenues

The amount of deferred outflows of resources is a charge on refunding of debt of \$32,151.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned		
General Fund	\$ 34,344	\$ 34,344
Taxes receivable		
General Fund	\$ 874,275	\$ -
Special Fire District	223,357	-
Total	<u>\$ 1,097,632</u>	<u>\$ -</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 a limit of \$125.5 million for any one occurrence, general, auto, professional, and employment practices 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, workers' compensation coverage up to the statutory limits, and health and dental insurance for County employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. For health and dental insurance, the county is reinsured through the Pool for individual losses in excess of \$50,000 and aggregate annual losses in excess of 115% of expected claims. The pool is reinsured through a commercial carrier for individual losses in excess of \$100,000.

The County has flood insurance as part of their liability policy. The deductible is \$25,000 per occurrence.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. 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 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 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.

**CASWELL COUNTY, NORTH CAROLINA
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5. Summary Disclosure of Significant Commitments

The County entered into various agreements prior to June 30, 2013, as follows:

	<u>Unpaid Commitments</u>
Contract for soil conservation survey over 10 years (4 years remaining)	\$ 61,141
Total	<u>\$ 61,141</u>

These amounts were not recorded in the basic financial statements at June 30, 2013, since services have either not yet been commenced or fully performed.

The County entered into an agreement with a private contractor for the removal of solid waste.

6. Contingent Liabilities

At June 30, 2013, 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.

7. Long-Term Obligations

a. Installment Purchase

Paid or serviced by the General Fund:

Note payable to Wachovia Bank, N.A. for renovations to the Caswell County Courthouse. Principal payments of \$61,667, plus accrued interest at 4.45% are due semi-annually starting July 1, 1999. The loan is collateralized by a Deed of Trust and Security Agreement dated January 4, 1999, creating a lien in and on the mortgaged property.

\$ 123,333

Note payable to BB&T Bank for the purchase of EMS medical equipment. Principal payments of \$30,515, plus accrued interest at 2.11% are due annually starting September 26, 2012.

115,885
\$ 239,218

Total

For Caswell County, the future minimum payments as of June 30, 2013, including \$10,293 of interest, are:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 151,403	\$ 6,561
2015	28,663	1,853
2016	29,267	1,248
2017	<u>29,885</u>	<u>631</u>
	<u>\$ 239,218</u>	<u>\$ 10,293</u>

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b. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2013 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 February 1 in installments of \$203,250 to \$307,350 through February 1, 2021; interest ranging from 2% to 3.25%

\$ 1,780,000

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2013 were as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 245,000	\$ 49,100
2015	235,000	44,200
2016	230,000	39,500
2017	225,000	32,600
2018-2021	<u>845,000</u>	<u>64,400</u>
	<u>\$ 1,780,000</u>	<u>\$ 229,800</u>

The payments above do not include accrued vacation pay since annual maturities are not determinable. The bonds as described do not have any sinking fund requirements. Enterprise Fund long-term debt was comprised of accrued vacation pay.

c. 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, 2013 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, 2026; interest at 3.325%

\$ 8,342,000

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The annual requirements to amortize debt and related interest on the private placement bonds and notes payable for future years ended June 30, 2013 were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2014	\$ 450,000	\$ 273,631
2015	450,000	258,668
2016	553,000	243,706
2017	656,000	223,606
2018-2022	3,280,000	790,850
2023-2027	2,953,000	245,536
	<u>\$ 8,342,000</u>	<u>\$ 2,035,997</u>

8. Long-Term Obligation Activity

The following is a summary of changes in general long-term debt for the year ended June 30, 2013:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion
Governmental Activities:					
General obligation bonds	\$ 2,030,000	\$ -	\$ (250,000)	\$ 1,780,000	\$ 245,000
Plus: premiums on issuance	15,928	-	(1,769)	14,159	-
Total General obligation bonds	2,045,928	-	(251,769)	1,794,159	245,000
Private placement bonds	8,567,000	-	(225,000)	8,342,000	450,000
Installment purchases	246,666	146,400	(153,848)	239,218	151,403
Compensated Absences	599,539	605,585	(599,539)	605,585	151,396
Postemployment Benefits	708,601	138,210	-	846,811	-
Pension obligation	270,027	16,507	-	286,534	-
Total governmental activities	<u>\$12,437,761</u>	<u>\$ 906,702</u>	<u>\$(1,230,156)</u>	<u>\$ 12,114,307</u>	<u>\$ 997,799</u>
Business Type Activities:					
Postemployment Benefits					
Solid Waste	\$ 12,829	\$ 3,346	\$ -	\$ 16,175	\$ -
Caswell Div. of Trans	25,460	6,979	-	32,439	-
Total	<u>38,289</u>	<u>10,325</u>	<u>-</u>	<u>48,614</u>	<u>-</u>
Compensated Absences					
Solid Waste	8,623	9,222	(8,623)	9,222	2,306
Caswell Div. of Trans	10,436	10,527	(10,436)	10,527	2,632
Total	<u>19,059</u>	<u>19,749</u>	<u>(19,059)</u>	<u>19,749</u>	<u>4,938</u>
Total business-type activities	<u>\$ 57,348</u>	<u>\$ 30,074</u>	<u>\$ (19,059)</u>	<u>\$ 68,363</u>	<u>\$ 4,938</u>

Compensated absences, postemployment 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 of Transportation Fund.

On June 30, 2013, Caswell County had a legal debt margin of \$109,998,851.

**CASWELL COUNTY, NORTH CAROLINA
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C. Interfund Balances and Activity

Transfers from/to other funds

From the School Capital Reserve Fund to the General Fund for school bond payments	\$ 604,100
From the General Fund to the School Capital Reserve Fund for restricted sales tax	656,233
From the General Fund to the Special Fire Districts Fund for volunteer fire departments rescue operations	31,500
From the General Fund to the Revaluation Fund for revaluation reserve and expenses paid	30,000
From the General Fund to the Emergency Telephone System Fund for repayment of disqualified expenses	<u>53,637</u>
Total	<u>\$ 1,375,470</u>

Due from/to other funds

From the School Capital Projects Fund to General Fund for central depository overdraft	\$ 426
From the Water and Sewer Fund to General Fund for central depository overdraft	<u>41,215</u>
Total	<u>\$ 41,641</u>

IV. Fund Balances

The following schedule provided management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance-General Fund	\$ 7,846,651
Less:	
Stabilization by State Statute	1,629,601
Appropriated fund balance in 2014 budget	370,928
Prepaid	12,475
Register of Deeds	30,474
Tax Revaluation	226,509
Education	201,502
Remaining Fund Balance	<u>\$ 5,375,162</u>

V. 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 Healthcare Solutions. Each participating government appoints representation on the Five-County Oversight Board and has representation on the Board of Directors of Cardinal Innovations. 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 offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

**CASWELL COUNTY, NORTH CAROLINA
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VI. Jointly Governed Organization

Piedmont Triad Council of Governments

The Council is a voluntary association of the county 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.

Hyconeechee Regional Library

The Regional Library is a jointly governed organization formed by Caswell, Orange, and Person Counties to coordinate funding from federal and State agencies. The Caswell County Board of Commissioners appoints one member to the Regional Library board, but does not provide funding. The counties do not retain ongoing financial interest in or responsibility for the Authority.

Person – Caswell Lake Authority

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 therein in or for the Authority.

Piedmont Community College

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.

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 basic financial statements because they are not revenues and expenditures of the County.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 134,223	\$ (14)
Foster Care	40,602	14,269
Adoption Assistance	83,151	21,944
Medicaid	19,905,523	11,421,485
Women, Infants and Children (WIC)	285,272	-
State/County Special Assistance for Adults	-	256,877
CWS Adoption Subsidy	-	42,460
Section 8 Housing	982,402	-
SFHF Maximization	-	867
State Foster Home	-	5,013
	<u> </u>	<u> </u>
Totals	<u>\$ 21,431,173</u>	<u>\$ 11,762,901</u>

VIII. Summary Disclosure of Significant Commitments and 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 moneys 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 moneys.

IX. Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2013 and December 10, 2012, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. In July 2013, the County received funding through a capital lease for an E911 upgrade in the amount of \$342,480.06. There were no additional events that occurred during this time that were deemed to be significant enough to be disclosed.

X. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized, must be included in current expenditures. Previously deferred bond issuance costs totaling \$120,913 were recognized as an expenditure in the current year. As a result, beginning net position decreased from \$20,927,756 to \$20,806,843.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

**CASWELL COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ 10,232	\$ 217,658	\$ 207,426	4.70%	\$ 1,021,238	20.31%
12/31/2008	10,367	246,253	235,886	4.21%	1,117,016	21.12%
12/31/2009	10,607	362,680	352,073	2.92%	1,222,188	28.81%
12/31/2010	-	363,604	363,604	0.00%	1,202,545	30.24%
12/31/2011	-	367,429	367,429	0.00%	1,196,382	30.71%
12/31/2012	\$ -	\$ 408,290	\$ 408,290	0.00%	\$ 1,240,609	32.91%

**CASWELL COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 26,449	0.00%
2009	29,829	0.00%
2010	32,458	38.51%
2011	43,235	47.76%
2012	43,028	49.96%
2013	\$ 44,142	55.12%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as for the latest actuarial valuation follows:

Valuation date	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
Cost-of-living adjustments	N/A

*Includes inflation at 3.00% percent.

**CASWELL COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ 7,713	\$ 2,395,807	\$ 2,385,153	0.40%	\$ 5,771,002	41.30%
12/31/2009	-	2,221,100	2,213,387	0.30%	5,621,039	39.40%
12/31/2011	\$ -	\$ 3,450,794	\$ 3,450,794	0.00%	\$ 7,357,897	46.90%

**CASWELL COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 348,223	15.82%
2010	256,161	25.46%
2011	256,161	60.28%
2012	310,288	49.82%
2013	\$ 310,288	52.56%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as for the latest actuarial valuation follows:

Valuation date	12/31/2011
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 cost trend rate	9.50 - 5.00%
Year of Ultimate trend rate	2018

*Includes inflation at 3.00% percent.

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

- **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.
- **Detention Center Project Fund:** This capital projects fund is used to account for funds set aside for the construction of the detention center.

**CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad Valorem Taxes:				
Current year		\$ 9,557,554		\$ 9,359,687
Prior year		283,351		342,724
Penalties and interest		188,836		325,997
Total	\$ 9,882,813	10,029,741	\$ 146,928	10,028,408
Other taxes and licenses				
Sales tax	1,829,150	1,700,979	(128,171)	1,681,378
Medicaid hold harmless	105,716	318,790	213,074	234,061
Privilege licenses	656	705	49	665
Cable television franchise	18,600	16,891	(1,709)	17,463
Total	1,954,122	2,037,365	83,243	1,933,567
Unrestricted intergovernmental:				
Beer and wine	93,500	86,644	(6,856)	93,037
Gasoline tax refund	8,000	8,543	543	138
Indirect cost	92,060	78,421	(13,639)	89,206
ABC profit distribution	10,000	17,150	7,150	15,610
DWI state/Civil license revocation	2,000	1,444	(556)	2,371
Total	205,560	192,202	(13,358)	200,362
Restricted intergovernmental:				
Federal and state grants	6,402,297	4,912,503	(1,489,794)	5,229,386
School share of sales tax	654,023	634,505	(19,518)	627,207
Court facility fees	82,500	64,225	(18,275)	78,729
ABC Board bottle tax	7,500	8,016	516	7,511
Sheriff-DEA Funds	42,020	5,377	(36,643)	28,400
EMS Medicaid Cost Settlement	108,022	108,022	-	120,883
School resource officer	82,432	82,432	-	82,432
Section 8	985,101	982,402	(2,699)	1,076,213
Total	8,363,895	6,797,482	(1,566,413)	7,250,761
Permits and fees:				
Subdivision fees	1,000	1,465	465	2,880
Building permits and inspection fees	105,000	85,900	(19,100)	80,874
Outdoor storage ordinance	700	650	(50)	800
Tax collection fees	10,000	10,471	471	10,655
Election fees	200	16	(184)	4,294
Register of deeds	160,500	155,649	(4,851)	145,643
Sheriff's fees and permits	4,000	5	(3,995)	1,830
Concealed weapon permit	19,500	23,222	3,722	9,248
Impound fee	2,000	1,430	(570)	1,336
Civil case processing	30,000	10,376	(19,624)	51,389
Jail telephone fees	14,600	14,673	73	7,710
Animal control fees	9,150	13,133	3,983	6,895
Parks & recreation fees	78,500	51,971	(26,529)	62,923
Farmer lake fees	9,000	5,288	(3,712)	5,498
Tax and maps cards/GIS	3,500	2,097	(1,403)	5,105
Federal/state contracts for jail facilities	-	-	-	1,200
4-H Activities	17,681	17,681	-	14,269
Cooperative Extension	5,863	5,290	(573)	2,772
Other	67,678	62,232	(5,446)	39,130
Total	538,872	461,549	(77,323)	454,451

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013		2012	
	Budget	Actual	Variance Positive (Negative)	Actual
Sales and service:				
Election reimbursements	3,000	-	(3,000)	2,878
Rents, concessions and fees	39,517	46,429	6,912	57,195
Jail fees	1,500	1,040	(460)	1,238
Ambulance fees	1,500	3,115	1,615	1,635
EMS source collections	750,000	711,304	(38,696)	493,002
Health department fees	1,072,384	1,102,804	30,420	1,231,124
Senior activities	67,468	62,548	(4,920)	87,990
Library fees	10,500	11,605	1,105	12,856
Detention center housing	544,640	152,283	(392,357)	85,818
Guilford Mills reimbursement	10,000	10,424	424	8,914
Other	23,000	2,090	(20,910)	11,560
Total	2,523,509	2,103,642	(419,867)	1,994,210
Interest on investments	6,500	6,796	296	5,708
Miscellaneous:				
Other	165,090	172,869	7,779	173,741
Total	165,090	172,869	7,779	173,741
Total revenues	23,640,361	21,801,646	(1,838,715)	22,041,208
<u>EXPENDITURES</u>				
<u>General Government</u>				
Governing body:				
Salaries and employee benefits		52,466		52,470
Other operating expenditures		4,429		3,221
Total	57,045	56,895	150	55,691
Administration				
Salaries and employee benefits		179,099		140,699
Other operating expenditures		67,106		77,713
Total	267,747	246,205	21,542	218,412
Board of Elections				
Salaries and employee benefits		70,628		78,203
Other operating expenditures		34,725		37,850
Total	149,516	105,353	44,163	116,053
Finance Department				
Salaries and employee benefits		202,987		196,997
Other operating expenditures		17,482		7,805
Total	223,503	220,469	3,034	204,802
Tax Office				
Salaries and employee benefits		310,055		285,726
Other operating expenditures		183,792		150,489
Capital outlay		3,128		8,616
Total	502,685	496,975	5,710	444,831

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013		2012	
	Budget	Actual	Variance Positive (Negative)	Actual
Register of Deeds				
Salaries		121,390		121,602
Other operating expenditures		57,778		48,454
Capital outlay		8,275		13,980
Total	191,498	187,443	4,055	184,036
Court facilities				
Other operating expenditures		51,738		43,745
Total	67,450	51,738	15,712	43,745
Public facilities				
Salaries		208,450		186,342
Other operating expenditures		281,416		245,816
Capital outlay		5,003		5,905
Total	498,004	494,869	3,135	438,063
Informational Technology:				
Salaries and employee benefits		50,087		48,826
Other operating expenditures		6,614		9,611
Total	67,143	56,701	10,442	58,437
Nondepartmental:				
Health insurance - retirees		122,623		123,231
Unemployment insurance		26,275		38,440
Professional Services		194,839		201,491
Supplies		6,407		6,552
Maintenance and repairs		15,041		17,270
Advertising		1,947		1,839
Dues and subscriptions		15,517		16,782
Insurance and bonds		235,123		247,639
Wellness benefits / activities		3,772		2,765
Total	684,702	621,544	63,158	656,009
Total General Government	2,709,293	2,538,192	171,101	2,420,079
Public Safety				
Sheriff:				
Salaries		1,684,026		1,579,826
Other operating expenditures		362,280		424,464
Capital outlay		-		121,702
Total	2,351,108	2,046,306	304,802	2,125,992
Sheriff Department Policing				
Salaries		-		50,906
Other operating expenditures		-		508
Capital outlay		-		-
Total	17,280	-	17,280	51,414
Jail:				
Salaries and employee benefits		602,349		411,424
Other operating expenditures		325,716		196,606
Total	1,034,760	928,065	106,695	608,030

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013		2012	
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management				
Salaries and employee benefits		60,602		37,362
Other operating expenditures		54,480		16,953
Capital outlay		5,540		-
Total	158,095	120,622	37,473	54,315
911 communications				
Salaries and employee benefits		413,293		405,992
Other operating expenditures		20,268		20,444
Capital outlay		88,017		-
Total	1,050,272	521,578	528,694	426,436
School resource officer				
Salaries and employee benefits		91,154		88,481
Other operating expenditures		8,162		7,300
Total	99,862	99,316	546	95,781
Inspections:				
Salaries and employee benefits		109,336		123,179
Other operating expenditures		21,458		22,711
Total	133,015	130,794	2,221	145,890
Emergency medical services				
Salaries and employee benefits		969,697		932,555
Other operating expenditures		231,152		235,647
Capital outlay		128,662		59,848
Total	1,354,916	1,329,511	25,405	1,228,050
Coroner:				
Professional services		3,000		2,000
Autopsy		6,100		2,000
Total	9,700	9,100	600	4,000
Total Public Safety	6,209,008	5,185,292	1,023,716	4,739,908
<u>Environmental Protection</u>				
Soil and water conservation service:				
Salaries and employee benefits		80,598		78,259
Other operating expenditures		4,003		4,113
Total	89,417	84,601	4,816	82,372
Total environmental protection	89,417	84,601	4,816	82,372
<u>Economic and physical development:</u>				
Economic development:				
Other operating expenditures		-		-
Total	55,950	-	55,950	-
Extension service:				
Salaries and employee benefits		151,220		146,583
Other operating expenditures		31,574		29,220
Total	194,774	182,794	11,980	175,803

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013		2012	
	Budget	Actual	Variance Positive (Negative)	Actual
Planning board:				
Salaries and employee benefits		54,129		51,705
Other operating expenditures		38,694		7,098
Total	96,767	92,823	3,944	58,803
Total economic and physical development	347,491	275,617	71,874	234,606
<u>Human services</u>				
Health department				
Salaries and employee benefits		2,004,187		1,994,424
Other operating expenditures		860,199		865,639
Capital outlay		-		8,950
Total	3,136,879	2,864,386	272,493	2,869,013
Mental Health:				
Alcohol rehabilitation		6,715		6,869
Alamance - Caswell Area Mental Health		115,061		115,061
Total	122,061	121,776	285	121,930
Animal control:				
Salaries and employee benefits		73,043		70,463
Other operating expenditures		138,150		116,244
Capital outlay		-		-
Total	213,689	211,193	2,496	186,707
Social Services Administration:				
Salaries		2,074,846		2,022,071
Other operating expenditures		223,776		219,421
Capital outlay		291,535		3,918
Total	2,737,502	2,590,157	147,345	2,245,410
Purchased services:				
Day care services		496,941		613,526
Smart start - child daycare		96,056		104,161
State boarding home program		15,271		51,162
Psychological services		1,500		-
E-funds		8,658		9,552
Total	739,976	618,426	121,550	778,401
JOBS:				
Workfirst-child care		-		10,002
TANF domestic violence		-		4,972
Supportive services		4,172		7,890
Total	91,634	4,172	87,462	22,864
Aid to families with dependent children:				
Program payments	208,227	123,300	84,927	113,463
General aid				
Program payments	302,000	262,855	39,145	296,597
Medical assistance				
Program payments	5,000	3,114	1,886	-

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
Other county assistance:				
Fuel emergencies		264,220		312,375
Aid to the blind		-		2,996
Total	273,450	264,220	9,230	315,371
Section 8 housing authority:				
Salaries and employee benefits		108,421		108,504
Other operating expenditures		15,333		18,994
Housing assistance payments		854,879		944,136
Shelter Plus Care		-		-
Total	992,575	978,633	13,942	1,071,634
Nutrition program:				
Salaries and employee benefits		199,839		190,427
Other operating expenditures		227,401		228,335
Total	478,561	427,240	51,321	418,762
Meals on wheels				
Other operating expenditures		159		306
Total	4,413	159	4,254	306
Senior center				
Salaries and employee benefits		-		-
Other operating expenditures		52,154		89,336
Capital outlay		-		-
Total	291,952	52,154	239,798	89,336
BEST Grant				
Salaries and employee benefits		25,324		25,711
Other operating expenditures		2,689		5,675
Total	33,186	28,013	5,173	31,386
SHIP Grant				
Other operating expenditures	6,250	5,885	365	6,470
DJJD				
Salaries and employee benefits		76,199		80,533
Other operating expenditures		10,591		8,170
Capital outlay		629		20,770
Total	90,524	87,419	3,105	109,473
Gang Prevention grant				
Salaries and employee benefits		-		11,870
Other operating expenditures		-		4,577
Total	-	-	-	16,447
EDTAP/RGP	155,774	105,391	50,383	115,618
Family Services				
Salaries and employee benefits		119,815		104,749
Other operating expenditures		29,612		40,285
Total	152,390	149,427	2,963	145,034

CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
Family Services/Intervention				
Salaries and employee benefits		2,074		6,978
Other operating expenditures		15,039		14,782
Total	24,280	17,113	7,167	21,760
Special appropriations:				
Aging program		147,763		176,568
Caswell Parish, Inc.		9,900		9,900
Cooperative Forestry		73,863		60,614
CCR&R partnership		2,500		2,500
CDOT/ROAP-RGP		-		-
Caswell Historical Society		-		-
Administration		20,742		26,305
Total	365,977	254,768	111,209	275,887
Total human services	10,426,300	9,169,801	1,256,499	9,251,869
<u>Cultural and recreational:</u>				
County library:				
Salaries and employee benefits		183,069		177,099
Other operating expenditures		61,073		64,047
Capital outlay		21,950		24,507
Total	309,830	266,092	43,738	265,653
Recreation:				
Salaries and employee benefits		137,437		127,624
Other operating expenditures		65,305		88,298
Capital outlay		5,711		-
Total	245,123	208,453	36,670	215,922
Farmer Lake				
Salaries and employee benefits		37,462		36,440
Other operating expenditures		14,732		13,946
Capital outlay		-		-
Total	59,710	52,194	7,516	50,386
Other:				
Arts Council	2,500	2,500	-	2,500
Total cultural and recreational	617,163	529,239	87,924	534,461
<u>Education:</u>				
Public schools:				
Current expense	2,490,085	2,490,085	-	2,490,085
Capital outlay	300,000	300,000	-	300,000
Piedmont Community College:				
Current expense	224,730	224,730	-	224,730
Capital outlay	34,050	34,050	-	4,050
Total education	3,048,865	3,048,865	-	3,018,865

**CASWELL COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	2013		2012	
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Debt service:</u>				
Principal payments		628,848		465,194
Interest payments		349,579		225,504
Total debt service	1,078,541	978,427	100,114	690,698
Contingency	3,532	-	3,532	-
Total Expenditures	24,529,610	21,810,034	2,719,576	20,972,858
Revenues over (under) expenditures	(889,249)	(8,388)	880,861	1,068,350
OTHER FINANCING SOURCES (USES)				
Loan proceeds	146,400	146,400	-	-
Premium on bond refunding	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers from other funds				
School capital reserve fund	604,100	604,100	-	614,200
Emergency telephone system fund	-	-	-	382,100
Detention center project fund	-	-	-	420,941
Caswell department of transportation fund	-	-	-	100,000
Total	604,100	604,100	-	1,517,241
Transfers to other funds				
School capital reserve fund	(674,023)	(656,233)	17,790	(643,074)
Special fire districts fund	(31,500)	(31,500)	-	(31,500)
Emergency telephone system fund	(53,637)	(53,637)	-	-
County building fund	-	-	-	(715,762)
Water and sewer fund	-	-	-	(50,000)
Revaluation fund	(30,000)	(30,000)	-	(35,000)
Total	(789,160)	(771,370)	17,790	(1,475,336)
Appropriated fund balance	927,909	-	(927,909)	-
Total other financing sources (uses)	889,249	(20,870)	(910,119)	41,905
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	(29,258)	\$ (29,258)	1,110,255
Fund balance - July 1		7,447,898		6,337,643
Fund balance - June 30		\$ 7,418,640		\$ 7,447,898

CASWELL COUNTY, NORTH CAROLINA
REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	300	497	197	160
	<u>300</u>	<u>497</u>	<u>197</u>	<u>160</u>
<u>EXPENDITURES</u>				
General government				
Revaluation of tax base	30,300	-	30,300	-
Revenues Over (Under) Expenditures	<u>(30,000)</u>	<u>497</u>	<u>30,694</u>	<u>160</u>
<u>OTHER FINANCING SOURCES</u>				
Appropriated fund balance	-	-	-	-
Transfers from other funds				
General Fund	30,000	30,000	-	35,000
Emergency Telephone Fund	-	-	-	-
Total	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>35,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>30,497</u>	<u>\$ 30,497</u>	<u>35,160</u>
Fund Balance - July 1		<u>196,012</u>		<u>160,852</u>
Fund Balance - June 30		<u>\$ 226,509</u>		<u>\$ 196,012</u>

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on investments	\$ 500	\$ 105	\$ (395)	\$ 124
<u>EXPENDITURES</u>				
Reserve	70,423	-	70,423	-
Education	-	-	-	-
Total Expenditures	<u>70,423</u>	<u>-</u>	<u>70,423</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(69,923)</u>	<u>105</u>	<u>70,028</u>	<u>124</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	674,023	656,233	(17,790)	643,074
Transfers to other funds				
General Fund	(604,100)	(604,100)	-	(614,200)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>69,923</u>	<u>52,133</u>	<u>(17,790)</u>	<u>28,874</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>52,238</u>	<u>\$ 52,238</u>	<u>28,998</u>
<u>FUND BALANCE</u>				
Beginning of year - July 1		<u>149,264</u>		<u>120,266</u>
End of year - June 30		<u>\$ 201,502</u>		<u>\$ 149,264</u>

**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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Ad valorem taxes	\$ 21,210	\$ 19,771	\$ (1,439)	\$ 19,818
Other taxes				
Sales taxes	6,000	5,463	(537)	5,482
Vehicle fire taxes	300,000	334,433	34,433	339,233
Total	<u>327,210</u>	<u>359,667</u>	<u>32,457</u>	<u>364,533</u>
<u>EXPENDITURES</u>				
Public safety:				
Sales Tax distribution		5,397		5,069
Caswell Fire District		19,627		19,862
Travel		1,500		1,500
Aid to volunteer fire departments		250,000		256,250
Rescue operations		30,000		30,000
Fire tax balance		139,232		89,696
Total	<u>447,942</u>	<u>445,756</u>	<u>2,186</u>	<u>402,377</u>
Revenues Over (Under) Expenditures	(120,732)	(86,089)	34,643	(37,844)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds				
General Fund	31,500	31,500	-	31,500
Appropriated fund balance	89,232	-	(89,232)	-
Total	<u>120,732</u>	<u>31,500</u>	<u>(89,232)</u>	<u>31,500</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(54,589)</u>	<u>\$ (54,589)</u>	<u>(6,344)</u>
Fund Balance - July 1		<u>83,132</u>		<u>89,476</u>
Fund Balance - June 30		<u>\$ 28,543</u>		<u>\$ 83,132</u>

CASWELL COUNTY, NORTH CAROLINA
DETENTION CENTER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive Positive (Negative)
<u>REVENUES</u>					
Interest on investments	\$ -	\$ 13,047	\$ 3,853	\$ 16,900	\$ 16,900
Miscellaneous revenue	-	217	92,433	92,650	92,650
Total Revenues	-	13,264	96,286	109,550	109,550
<u>EXPENDITURES</u>					
Capital outlay					
Administration & engineering fees	605,553	545,471	60,082	605,553	-
Construction management	201,696	125,983	75,713	201,696	-
Construction Phase	7,348,118	3,916,883	2,861,438	6,778,321	569,797
Furnishing and equipment	331,668	-	306,746	306,746	24,922
Total	8,487,035	4,588,337	3,303,979	7,892,316	594,719
Bond issuance costs	79,965	79,965	-	79,965	-
Total	8,567,000	4,668,302	3,303,979	7,972,281	594,719
Revenues Over (Under) Expenditures	(8,567,000)	(4,655,038)	(3,207,693)	(7,862,731)	704,269
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers from (to) other funds					
General Fund	420,946	420,946	-	420,946	-
General Fund	(420,946)	(420,941)	-	(420,941)	5
Bonds issued	8,567,000	8,567,000	-	8,567,000	-
Appropriated fund balance	-	-	-	-	-
Total Other Financing Sources (Uses)	8,567,000	8,567,005	-	8,567,005	5
Excess of Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	\$ -	\$ 3,911,967	(3,207,693)	\$ 704,274	\$ 704,274
Fund Balance - July 1			3,911,967		
Fund Balance - June 30			\$ 704,274		

NONMAJOR GOVERNMENTAL FUNDS

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 disbursements made for various special projects.

Capital Project Funds

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

- **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.
- **Water and Sewer Fund:** This fund is used to account for funds set aside for water and sewer projects.
- **Equipment and Automation Fund:** This fund is used to account for funds set aside to ensure that sufficient funds are available to replace patrol cars, ambulances, animal control officer's vehicles, and emergency management vehicles in a systematic manner.
- **Library Development Fund:** This fund is used to account for funds set aside for capital improvements at the library.
- **School Capital Projects Fund:** This fund is used to account for fund set aside for capital projects for Caswell County Schools.
- **Senior Center Project Fund:** This fund is used to set aside money for construction of a senior center.

**CASWELL COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013**

	Special Revenue Funds			Capital Projects Funds							
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grants Fund	Scattered Site Fund	County Building Fund	Water and Sewer Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Total
ASSETS											
Current Assets:											
Cash and cash equivalents	\$ 279,712	\$ 17,000	\$ 170,840	\$ 34,975	\$ 169,893	\$ -	\$ 36,717	\$ 50,430	\$ -	\$ 16,968	\$ 776,535
Accounts receivable	34,712	-	-	-	-	-	-	-	-	-	34,712
Total Assets	<u>\$ 314,424</u>	<u>\$ 17,000</u>	<u>\$ 170,840</u>	<u>\$ 34,975</u>	<u>\$ 169,893</u>	<u>\$ -</u>	<u>\$ 36,717</u>	<u>\$ 50,430</u>	<u>\$ -</u>	<u>\$ 16,968</u>	<u>\$ 811,247</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 825	\$ -	\$ -	\$ 25,756	\$ -	\$ 9,959	\$ -	\$ -	\$ -	\$ -	\$ 36,540
Due to other funds	-	-	-	-	-	41,215	-	-	426	-	41,641
Total liabilities	<u>825</u>	<u>-</u>	<u>-</u>	<u>25,756</u>	<u>-</u>	<u>51,174</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>78,181</u>
Fund Balances:											
Restricted:											
Stabilization by State Statute	34,712	-	-	-	-	-	-	-	-	-	34,712
Public Safety	278,887	-	-	-	-	-	-	-	-	-	278,887
Economic Development	-	17,000	-	9,219	-	-	-	-	-	-	26,219
Human Services	-	-	-	-	-	-	-	-	-	16,968	16,968
Cultural and Recreational	-	-	-	-	-	-	-	50,430	-	-	50,430
General Government	-	-	170,840	-	169,893	-	36,717	-	-	-	377,450
Unassigned:	-	-	-	-	-	(51,174)	-	-	(426)	-	(51,600)
Total fund equity	<u>313,599</u>	<u>17,000</u>	<u>170,840</u>	<u>9,219</u>	<u>169,893</u>	<u>(51,174)</u>	<u>36,717</u>	<u>50,430</u>	<u>(426)</u>	<u>16,968</u>	<u>733,066</u>
Total Liabilities and											
Fund Equity	<u>\$ 314,424</u>	<u>\$ 17,000</u>	<u>\$ 170,840</u>	<u>\$ 34,975</u>	<u>\$ 169,893</u>	<u>\$ -</u>	<u>\$ 36,717</u>	<u>\$ 50,430</u>	<u>\$ -</u>	<u>\$ 16,968</u>	<u>\$ 811,247</u>

**CASWELL COUNTY, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds			Capital Projects Funds							
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grants Fund	Scattered Site Fund	County Building Fund	Water and Sewer Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Total
REVENUES											
Ad Valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-	-
Restricted intergovernmental	208,270	-	-	210,983	-	42,446	-	-	-	-	461,699
Sales and service	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	688	-	175	-	-	14	93	84	-	23	1,077
Miscellaneous	-	-	-	-	50,000	-	-	-	-	-	50,000
Total Revenues	208,958	-	175	210,983	50,000	42,460	93	84	-	23	512,776
EXPENDITURES											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	157,546	-	-	-	-	-	-	-	-	-	157,546
Economic development	-	8,000	-	243,074	-	-	-	-	-	-	251,074
Education	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	305,034	178,167	-	-	-	-	483,201
Debt service	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	157,546	8,000	-	243,074	305,034	178,167	-	-	-	-	891,821
Revenues Over (under)											
Expenditures	51,412	(8,000)	175	(32,091)	(255,034)	(135,707)	93	84	-	23	(379,045)
OTHER FINANCING SOURCES (USES)											
Bonds issued	-	-	-	-	-	-	-	-	-	-	-
Transfers-in											
General Fund	53,637	-	-	-	-	-	-	-	-	-	53,637
Emergency Telephone System Fund	-	-	-	-	-	-	-	-	-	-	-
Transfers-out											
General Fund	-	-	-	-	-	-	-	-	-	-	-
Water and Sewer Fund	-	-	-	-	-	-	-	-	-	-	-
Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-
Total other financing Sources (Uses)	53,637	-	-	-	-	-	-	-	-	-	53,637
Change in fund balances	105,049	(8,000)	175	(32,091)	(255,034)	(135,707)	93	84	-	23	(325,408)
Fund Balance - July 1	208,550	25,000	170,665	41,310	424,927	84,533	36,624	50,346	(426)	16,945	1,058,474
Fund Balance - June 30	\$ 313,599	\$ 17,000	\$ 170,840	\$ 9,219	\$ 169,893	\$ (51,174)	\$ 36,717	\$ 50,430	\$ (426)	\$ 16,968	\$ 733,066

**CASWELL COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental revenues:				
PSAP funds	209,722	208,270	(1,452)	209,722
Investment earnings	2,000	688		1,571
Total Revenues	<u>211,722</u>	<u>208,958</u>	<u>(1,452)</u>	<u>211,293</u>
<u>EXPENDITURES</u>				
Public safety:				
Salaries		76,312		74,444
Telephone		18,010		24,123
Maintenance and repairs		16,217		11,705
Equipmental rental		11,572		31,174
Small tools/equipment		24,355		29,959
Other expenses		7,884		5,302
Capital outlay		3,196		219,015
Total	<u>296,300</u>	<u>157,546</u>	<u>138,754</u>	<u>395,722</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>296,300</u>	<u>157,546</u>	<u>138,754</u>	<u>395,722</u>
Revenues Over (Under) Expenditures	<u>(84,578)</u>	<u>51,412</u>	<u>135,990</u>	<u>(184,429)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Fund balance appropriated	84,578	-	84,578	-
Transfers from other funds				
General Fund	-	53,637	53,637	-
Transfers to other funds				
General Fund	-	-	-	(382,100)
Revaluation fund	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(382,100)</u>
Total Other Financing Sources (Uses)	<u>84,578</u>	<u>53,637</u>	<u>138,215</u>	<u>(382,100)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>105,049</u>	<u>\$ 105,049</u>	<u>(566,529)</u>
Fund Balance - July 1		<u>208,550</u>		<u>775,079</u>
Fund Balance - June 30		<u>\$ 313,599</u>		<u>\$ 208,550</u>

CASWELL COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		2012
	Budget	Actual	Actual
			Variance Favorable (Unfavorable)
<u>Explanation for transfers</u>			
Transfer to adjust beginning balance to actual		\$ 53,637	
<u>Emergency Telephone System Unspent Balance</u>			
Amounts reported above are different from the PSAP Revenue-Expenditure Report because:			
Net Change in Fund Balance, reported on Budget to Actual		\$ 105,049	
Plus: Transfers from General Fund to adjust fund balance			
to the proper beginning balance		(53,637)	
Less: Interest income above not shown on the PSAP Report		(22)	
Net Change per PSAP Revenue-Expenditure Report		51,390	
Beginning Balance, PSAP Revenue-Expenditure Report		262,187	
Ending Balance, PSAP Revenue-Expenditure Report		\$ 313,577	

**CASWELL COUNTY, NORTH CAROLINA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
USDA Rural Development Business Grant	\$ 150,000	\$ -	\$ (150,000)	\$ -
<u>EXPENDITURES</u>				
Economic Development	150,000	8,000	142,000	-
Revenues Over (Under) Expenditures	-	(8,000)	(8,000)	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	-	-	-	-
Transfers to other funds				
General Fund	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(8,000)</u>	<u>\$ (8,000)</u>	-
FUND BALANCE				
Beginning of year - July 1		25,000		25,000
End of year - June 30		<u>\$ 17,000</u>		<u>\$ 25,000</u>

**CASWELL COUNTY, NORTH CAROLINA
SPECIAL GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<u>REVENUES</u>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 3,030
Interest on investments	-	175	175	430
Miscellaneous income	-	-	-	-
Total Revenues	-	175	175	3,460
<u>EXPENDITURES</u>				
General Government	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	175	175	3,460
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures And Other Uses	\$ -	175	\$ 175	3,460
Fund Balance - July 1		170,665		167,205
Fund Balance - June 30		\$ 170,840		\$ 170,665

CASWELL COUNTY, NORTH CAROLINA
SCATTERED SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

		Actual				
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)	
REVENUES						
Restricted intergovernmental						
Community development						
block grant						
2008 Scattered Site	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -	
2010 Scattered Site	500,000	39,079	99,217	138,296	(361,704)	
2011 Scattered Site	400,000	-	-	-	(400,000)	
Water Project	-	42,446	-	42,446	42,446	
SFR program	200,000	207,421	74,266	281,687	81,687	
URP grant revenue	75,000	37,500	37,500	75,000	-	
Home energy revenue	20,000	20,000	-	20,000	-	
SFR-Duke help	-	20,000	-	20,000	20,000	
Investment earnings	-	102	-	102	102	
Total revenues	1,595,000	766,548	210,983	977,531	(617,469)	
EXPENDITURES						
Economic and physical development						
Community development						
block grant						
2008 Scattered Site						
Administration		61,337	-	61,337		
Rehabilitation		43,905	-	43,905		
Rehabilitation		297,142	-	297,142		
Total	400,000	402,384	-	402,384	(2,384)	
2010 Scattered Site						
Administration		36,639	12,000	48,639		
Rehabilitation		2,400	155,263	157,663		
Total	500,000	39,039	167,263	206,302	293,698	
2011 Scattered Site						
Administration		-	245	245		
Rehabilitation		-	1,800	1,800		
Total	400,000	-	2,045	2,045	397,955	
SFR						
Administration		24,930	13,171	38,101		
Rehabilitation		141,778	60,595	202,373		
Total	200,000	166,708	73,766	240,474	(40,474)	
URP expenses	75,000	80,334	-	80,334	(5,334)	
Home energy expenses	20,000	17,682	-	17,682	2,318	
Duke home energy expenses	-	19,091	-	19,091	(19,091)	
Total expenditures	1,595,000	725,238	243,074	968,312	626,688	
Revenues Over (Under) Expenditures	\$ -	\$ 41,310	(32,091)	\$ 9,219	\$ 9,219	
Fund Balance - July 1			41,310			
Fund Balance - June 30			\$ 9,219			

**CASWELL COUNTY, NORTH CAROLINA
COUNTY BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Sales and service	-	-	-	-
Miscellaneous	60,000	50,000	(10,000)	-
Total Revenues	60,000	50,000	(10,000)	-
<u>EXPENDITURES</u>				
Capital outlay				
County buildings	775,762	305,034	470,728	286,703
Revenues Over (Under) Expenditures	(715,762)	(255,034)	460,728	(286,703)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds				
General Fund	715,762	-	(715,762)	715,762
Appropriated fund balance	-	-	-	-
Total other financing sources	715,762	-	(715,762)	715,762
Revenues and other financing sources (uses) over expenditures	\$ -	(255,034)	\$ (255,034)	429,059
Fund Balance - July 1		424,927		(4,132)
Fund Balance - June 30		\$ 169,893		\$ 424,927

**CASWELL COUNTY, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental revenues	\$ 1,580,342	\$ 42,446	\$ (1,537,896)	\$ 517,143
Investment earnings	-	14	14	58
Total Revenues	<u>1,580,342</u>	<u>42,460</u>	<u>(1,537,882)</u>	<u>517,201</u>
<u>EXPENDITURES</u>				
Economic and physical development:				
Operating expenses	<u>1,644,572</u>	<u>178,167</u>	<u>1,466,405</u>	<u>696,055</u>
Total expenditures	<u>1,644,572</u>	<u>178,167</u>	<u>1,466,405</u>	<u>696,055</u>
Revenues Over (Under) Expenditures	<u>(64,230)</u>	<u>(135,707)</u>	<u>(71,477)</u>	<u>(178,854)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds				
Special Grants Fund	55,280	-	(55,280)	50,000
Fund balance appropriated	8,950	-	(8,950)	-
Total	<u>64,230</u>	<u>-</u>	<u>(64,230)</u>	<u>50,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>(135,707)</u>	<u>\$ (135,707)</u>	<u>(128,854)</u>
Fund Balance - July 1		<u>84,533</u>		<u>213,387</u>
Fund Balance - June 30		<u>\$ (51,174)</u>		<u>\$ 84,533</u>

CASWELL COUNTY, NORTH CAROLINA
EQUIPMENT AND AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on investments	\$ -	\$ 93	\$ 93	\$ 98
<u>EXPENDITURES</u>				
General government:				
Equipment	-	-	-	-
Total	-	-	-	-
Revenues Over (Under) Expenditures	-	93	93	98
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	93	\$ 93	98
Fund Balance - July 1		36,624		36,526
Fund Balance - June 30		\$ 36,717		\$ 36,624

**CASWELL COUNTY, NORTH CAROLINA
LIBRARY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>Revenues</u>				
Interest on investments	\$ -	\$ 84	\$ 84	\$ 125
Miscellaneous	-	-	-	4,000
Total	-	84	84	4,125
<u>Expenditures</u>				
Cultural and recreational Library	-	-	-	-
Revenues Over (Under) Expenditures	-	84	84	4,125
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds General Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>84</u>	<u>\$ 84</u>	<u>4,125</u>
Fund balance - July 1		<u>50,346</u>		<u>46,221</u>
Fund balance - June 30		<u>\$ 50,430</u>		<u>\$ 50,346</u>

CASWELL COUNTY, NORTH CAROLINA
SCHOOL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
Public School Building Capital Fund	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Education	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Transfer from other funds				
General Fund	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	-	\$ -	-
Fund Balance - July 1		(426)		(426)
Fund Balance - June 30		\$ (426)		\$ (426)

**CASWELL COUNTY, NORTH CAROLINA
SENIOR CENTER PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Restricted intergovernmental					
Foundation grant	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Interest on investments	-	95,161	23	95,184	95,184
Total Revenues	2,000,000	2,095,161	23	2,095,184	95,184
EXPENDITURES					
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	55,153	121,818	-	121,818	(66,665)
Total	2,052,653	2,078,216	-	2,078,216	(25,563)
Revenues Over (Under) Expenditures	(52,653)	16,945	23	16,968	69,621
OTHER FINANCING SOURCES (USES)					
Transfers to other funds					
General Fund	-	-	-	-	-
Appropriated fund balance	52,653	-	-	-	(52,653)
Total Other Financing Sources (Uses)	52,653	-	-	-	(52,653)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 16,945	23	\$ 16,968	\$ 16,968
Fund Balance - July 1			16,945		
Fund Balance - June 30			\$ 16,968		

ENTERPRISE FUNDS

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 or 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 accountability purposes.

- **Solid Waste Fund:** This fund is used to account for the operations of the County's solid waste disposal operations.
- **Caswell County Division of Transportation:** This fund is used to account for the revenues and expenses for transportation.

CASWELL COUNTY, NORTH CAROLINA
SOLID WASTE MANAGEMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Tire disposal tax		\$ 28,951		\$ 29,086
White goods disposal tax		7,263		7,398
Solid waste disposal tax		14,599		17,591
Charges for services - user fees		729,602		754,670
Tipping fees		93,465		77,767
Recycling		14,295		12,887
Interest on interfund loan		998		1,985
Interest on investments		683		518
Total Revenues	<u>\$ 874,361</u>	<u>889,856</u>	<u>\$ 15,495</u>	<u>901,921</u>
<u>EXPENDITURES</u>				
Operations				
Salaries		120,427		116,565
Other expenses		664,314		685,493
Capital outlay		-		-
Total expenditures	<u>820,449</u>	<u>784,741</u>	<u>35,708</u>	<u>802,058</u>
Revenues over (under) expenditures	<u>53,912</u>	<u>105,115</u>	<u>51,203</u>	<u>99,863</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from (to) other funds				
General Fund	-	-	-	-
Appropriated fund balance	(53,912)	-	53,912	-
Total other financing sources	<u>(53,912)</u>	<u>-</u>	<u>53,912</u>	<u>-</u>
Revenues Over (Under) Sources and Other Uses	<u>\$ -</u>	<u>\$ 105,115</u>	<u>\$ 105,115</u>	<u>\$ 99,863</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures		\$ 105,115		\$ 99,863
Depreciation		(29,067)		(29,295)
Capital outlay		-		-
(Increase) decrease in accrued vacation payable		(599)		464
(Increase) decrease in other postemployment benefits		(3,346)		(3,373)
Net Income (loss)		<u>\$ 72,103</u>		<u>\$ 67,659</u>

CASWELL COUNTY, NORTH CAROLINA
CASWELL DEPARTMENT OF TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
<u>REVENUES</u>				
Changes for services - user fees	\$ 442,733	\$ 449,817	\$ 7,084	\$ 393,643
Interest on investments	2,000	463	(1,537)	2,250
Miscellaneous	5,000	14,864	9,864	14
Total Revenues	449,733	465,144	15,411	395,907
<u>EXPENDITURES</u>				
Administration				
Salaries		68,655		66,718
Other expenses		62,372		59,030
Total	143,714	131,027	12,687	125,748
Operations				
Salaries		170,881		153,086
Other expenses		91,812		67,378
Capital outlay		139,769		214,675
Total	524,432	402,462	121,970	435,139
Total	668,146	533,489	134,657	560,887
Revenues over (under) expenditures	(218,413)	(68,345)	150,068	(164,980)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds				
General Fund	-	-	-	(100,000)
Appropriated fund balance	218,413	-	(218,413)	-
Total Other Financing Sources(Uses)	218,413	-	(218,413)	(100,000)
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ (68,345)	\$ (68,345)	\$ (264,980)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures		\$ (68,345)		\$ (264,980)
Capital outlay		139,769		214,675
Depreciation		(58,601)		(51,015)
Book value of asset disposal		-		-
(Increase) decrease in compensated absences payable		(91)		547
(Increase) decrease in other postemployment benefits		(6,979)		(6,623)
Net Income		\$ 5,753		\$ (107,396)

AGENCY FUNDS

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

- **Social 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.
- **Fines and Forfeitures, DMV Interest, 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 account for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.
- **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 FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2013

	Agency Funds			Total
	Social Services Fund	Fines and Forfeitures & DMV Interest Fund	Property Tax Fund	June 30, 2013
ASSETS				
Cash	\$ 23,575	\$ -	\$ (14,239)	\$ 9,336
Accounts receivable	-	5,746	-	5,746
Total Assets	<u>\$ 23,575</u>	<u>\$ 5,746</u>	<u>\$ (14,239)</u>	<u>\$ 15,082</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Miscellaneous liabilities	<u>\$ 23,575</u>	<u>\$ 5,746</u>	<u>\$ (14,239)</u>	<u>\$ 15,082</u>
Total Liabilities	<u>23,575</u>	<u>5,746</u>	<u>(14,239)</u>	<u>15,082</u>
Net Assets:				
Assets held in trust for beneficiary benefits	-	-	-	-
Total Liabilities and Fund Balances	<u>\$ 23,575</u>	<u>\$ 5,746</u>	<u>\$ (14,239)</u>	<u>\$ 15,082</u>

CASWELL COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Social Services Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 29,015	\$ 207,897	\$ 213,337	\$ 23,575
Liabilities				
Accounts payable	\$ 29,015	\$ 207,897	\$ 213,337	\$ 23,575
<u>Fines and Forfeitures, DMV Interest, and Floodplain Mapping Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable	6,832	100,017	101,103	5,746
	<u>\$ 6,832</u>	<u>\$ 100,017</u>	<u>\$ 101,103</u>	<u>\$ 5,746</u>
Liabilities				
Fines and Forfeitures due to others	\$ 6,832	73,414	74,500	\$ 5,746
Floodplain mapping fees due to others	-	7,086	7,086	-
ROD deed of trust fees due to others	-	2,577	2,577	-
Archives/Cultural fees due to others	-	3,221	3,221	-
DMV Interest due to others	-	13,719	13,719	-
Total	<u>\$ 6,832</u>	<u>\$ 100,017</u>	<u>\$ 101,103</u>	<u>\$ 5,746</u>
<u>Property Tax Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ (14,365)	\$ 348,683	\$ 348,557	\$ (14,239)
Liabilities				
Intergovernmental payable	\$ (14,365)	\$ 348,683	\$ 348,557	\$ (14,239)
<u>Total - All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 14,650	\$ 556,580	\$ 561,894	\$ 9,336
Accounts receivable	6,832	100,017	101,103	5,746
Total assets	<u>\$ 21,482</u>	<u>\$ 656,597</u>	<u>\$ 662,997</u>	<u>\$ 15,082</u>
Liabilities				
Accounts payable	\$ 29,015	\$ 207,897	\$ 213,337	\$ 23,575
Intergovernmental payable	(7,533)	448,700	449,660	(8,493)
Total liabilities	<u>\$ 21,482</u>	<u>\$ 656,597</u>	<u>\$ 662,997</u>	<u>\$ 15,082</u>

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

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

CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
GENERAL FUND
JUNE 30, 2013

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2012</u>	<u>Additions</u>	<u>Collections and Adjustments</u>	<u>Uncollected Balance June 30, 2013</u>
2013	\$ -	\$ 9,937,178	\$ 9,578,906	\$ 358,272
2012	352,971	-	188,261	164,710
2011	172,830	-	43,653	129,177
2010	108,610	-	19,869	88,741
2009	83,711	-	13,900	69,811
2008	73,156	-	8,592	64,564
2007	54,354	-	4,648	49,706
2006	37,354	-	2,568	34,786
2005	32,700	-	2,574	30,126
2004	36,009	-	1,627	34,382
2003	32,494	-	32,494	-
	<u>\$ 984,189</u>	<u>\$ 9,937,178</u>	<u>\$ 9,897,092</u>	<u>\$ 1,024,275</u>

Reconcilement with revenues:

Taxes-ad valorem-General Fund	\$ 10,029,741	
Interest/Penalties/Adjustments	<u>(162,523)</u>	
		\$ 9,867,218

Amounts written off for tax year 2002- 2003
per statute of limitations

29,874

Total Collections and Credits

\$ 9,897,092

**CASWELL COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
JUNE 30, 2013**

	County-wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
County-wide	\$ 1,441,330,046	0.659	\$ 9,498,365	\$ 9,030,182	\$ 468,183
Vehicles taxed at prior year rate	54,053,718	0.659	356,214	-	356,214
Total	1,495,383,764		9,854,579	9,030,182	824,397
Discoveries and Abatements	9,294,082	0.659	61,248	(1,819)	63,067
Total Property Valuation	<u>\$ 1,504,677,846</u>				
Net Levy			9,915,827	9,028,363	887,464
Uncollected taxes at June 30, 2013			358,272	200,993	157,279
Current year's taxes collected			<u>\$ 9,557,555</u>	<u>\$ 8,827,370</u>	<u>\$ 730,185</u>
Current levy collection percentage			<u>96.39%</u>	<u>97.77%</u>	<u>82.28%</u>

STATISTICAL SECTION

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 source, 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.

TABLE 1

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 10,794,834	\$ 10,601,033	\$ 10,576,338	\$ 10,325,745	\$11,215,747	\$ 12,410,816	\$ 12,739,104	\$ 13,347,778	\$ 10,089,638	\$ 14,660,932
Restricted	1,600,031	13,003	22,796	25,113	11,089	-	27,081	2,752,022	6,703,496	3,379,060
Unrestricted	(1,932,696)	(375,306)	(193,127)	3,006,291	4,388,487	4,248,895	5,143,018	3,132,651	4,134,622	2,737,716
Total governmental activities net assets	<u>10,462,169</u>	<u>10,238,730</u>	<u>10,406,007</u>	<u>13,357,149</u>	<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>
Business-type activities										
Net investment in capital assets	448,951	347,016	335,493	413,140	399,746	342,495	289,050	363,093	497,458	549,559
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	658,290	797,014	992,810	1,062,526	1,207,368	1,327,084	1,448,996	1,409,580	1,235,478	1,261,232
Total business-type activities net assets	<u>1,107,241</u>	<u>1,144,030</u>	<u>1,328,303</u>	<u>1,475,666</u>	<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>
Primary government										
Net investment in capital assets	11,243,785	10,948,049	10,911,831	10,738,885	11,615,493	12,753,311	13,028,154	13,710,871	10,587,096	15,210,491
Restricted	1,600,031	13,003	22,796	25,113	11,089	-	27,081	2,752,022	6,703,496	3,379,060
Unrestricted	(1,274,406)	421,708	799,683	4,068,817	5,595,855	5,575,979	6,592,014	4,542,231	5,370,100	3,998,948
Total primary government net assets	<u>\$ 11,569,410</u>	<u>\$ 11,382,760</u>	<u>\$ 11,734,310</u>	<u>\$ 14,832,815</u>	<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>

TABLE 2

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

Expenses	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
General government	\$ 2,039,128	\$ 2,287,963	\$ 2,510,021	\$ 2,716,518	\$ 2,606,514	\$ 2,750,326	\$ 2,369,681	\$ 2,605,238	\$ 2,558,821	\$ 2,776,985
Public safety	3,915,034	3,957,247	4,102,122	4,604,607	4,664,353	5,167,360	5,337,280	5,226,796	5,421,247	5,895,526
Economic development	392,418	482,277	651,479	617,287	481,559	662,332	719,660	444,511	473,281	551,766
Environmental Protection	58,326	65,248	66,686	72,421	73,994	76,770	106,290	92,111	83,539	85,682
Transportation	-	-	-	-	-	2,236	-	-	-	-
Human Services	8,671,224	9,562,191	10,041,796	10,380,813	10,158,848	9,553,228	9,004,764	8,989,125	9,327,818	9,031,116
Cultural and recreation	597,373	541,669	589,669	663,739	698,931	675,516	662,422	689,813	577,194	677,478
Education	2,837,811	3,287,832	3,171,275	3,072,620	3,192,066	3,592,260	3,544,945	3,169,626	3,018,673	3,048,723
Interest on long-term debt	-	383,104	340,756	308,200	276,522	239,484	200,573	110,621	314,061	531,384
Total governmental activities expenses	18,511,314	20,567,531	21,473,804	22,436,205	22,152,787	22,719,512	21,945,615	21,327,841	21,774,634	22,598,660
Business-type activities										
Solid Waste	665,715	709,111	703,398	775,226	782,428	807,436	789,064	826,414	834,262	817,753
Transportation	345,418	375,189	395,668	377,872	428,649	401,871	394,927	430,931	403,303	459,391
Total business-type activities	1,011,133	1,084,300	1,099,066	1,153,098	1,211,077	1,209,307	1,183,991	1,257,345	1,237,565	1,277,144
Total primary government expenses	19,522,447	21,651,831	22,572,870	23,589,303	23,363,864	23,928,819	23,129,606	22,585,186	23,012,199	23,875,804
Program Revenues										
Governmental activities:										
Charges for services:										
General government	384,678	359,316	332,754	295,295	325,096	252,292	243,523	197,907	277,159	225,038
Public Safety	108,011	600,367	534,337	907,701	876,492	1,380,862	1,274,872	1,272,583	924,296	1,183,729
Economic and Physical Development	-	31,352	31,177	29,188	25,738	19,215	23,170	10,066	20,721	25,086
Environmental Protection	-	9,330	8,064	-	-	-	-	-	-	-
Human Services	887,829	1,422,018	1,259,804	1,210,071	1,573,848	1,395,632	1,612,554	1,372,572	1,319,114	1,165,352
Cultural and recreation	129,229	74,107	59,962	58,825	64,433	70,005	88,032	70,393	75,779	68,864
Education	-	82,432	82,432	82,432	82,432	82,432	-	-	-	-
Operating grants and contributions										
General government	71,232	23,010	16,150	-	80,995	15,518	42	8,721	4,789	3,750
Public Safety	230,475	276,864	212,681	208,486	313,673	522,855	363,782	500,924	444,248	339,088
Environmental Protection	-	6,113	15,605	12,499	-	-	-	-	-	-
Economic and Physical Development	-	8,976	49,981	75,053	20,485	19,041	93,579	19,918	25,109	22,058
Human Services	6,977,290	5,530,698	5,581,091	5,874,434	5,827,482	5,781,256	5,750,578	5,876,146	6,037,956	5,777,624
Cultural and recreation	-	129,177	122,083	143,141	133,327	127,377	124,699	150,545	135,628	132,199
Education	612,303	-	-	-	-	-	82,432	164,864	82,432	82,432
Capital grants and contributions										
General government	479,435	-	-	194,810	-	8,325	-	-	-	-
Public Safety	-	-	-	-	-	29,800	-	-	-	-
Economic and Physical Development	-	181,305	311,313	334,436	228,023	595,190	857,756	153,822	773,919	253,429
Human Services	-	-	-	2,000,000	-	-	-	-	-	-
Education	463,875	103,875	-	-	-	-	291,323	-	-	-
Total governmental activities program revenues	10,344,357	8,838,940	8,617,434	11,426,371	9,552,024	10,299,800	10,806,342	9,798,461	10,121,150	9,278,649

TABLE 2 (CONT.)

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities										
Charges for services:										
Solid Waste	668,492	677,236	766,460	811,321	811,217	812,476	835,368	846,978	845,324	837,362
CDOT	388,115	395,074	458,284	424,831	453,936	388,635	340,729	382,325	393,643	449,817
Total business-type activities program revenues	1,056,607	1,072,310	1,224,744	1,236,152	1,265,153	1,201,111	1,176,097	1,229,303	1,238,967	1,287,179
Total primary government program revenues	11,400,964	9,911,250	9,842,178	12,662,523	10,817,177	11,500,911	11,982,439	11,027,764	11,360,117	10,565,828
Net (expenses)/revenue										
Governmental activities	(9,066,957)	(11,728,591)	(12,856,370)	(11,009,834)	(12,600,763)	(12,419,712)	(11,139,273)	(11,529,380)	(11,653,484)	(13,320,011)
Business-type activities	45,474	(11,990)	125,678	83,054	54,076	(8,196)	(7,894)	(28,042)	1,402	10,035
Total primary government net expenses	(9,021,483)	(11,740,581)	(12,730,692)	(10,926,780)	(12,546,687)	(12,427,908)	(11,147,167)	(11,557,422)	(11,652,082)	(13,309,976)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	7,383,057	7,438,046	8,136,631	8,809,848	9,453,260	9,136,526	9,533,263	9,944,802	10,008,923	9,848,060
Local option sales taxes	1,815,784	3,603,619	3,752,643	4,049,329	4,035,897	3,353,873	2,299,932	2,150,040	2,314,067	2,654,274
Other taxes and licenses	505,854	506,641	496,862	489,292	726,145	361,918	362,558	480,200	591,422	357,492
Grants & Contributions, unrestricted	128,210	236,577	247,491	251,752	233,650	248,064	185,470	256,218	200,362	192,202
Investment earnings, unrestricted	107,002	85,088	185,206	225,712	294,289	118,962	31,767	18,458	21,351	12,328
Miscellaneous, unrestricted	362,366	889	204,814	188,703	115,696	66,124	(11,725)	2,910	112,664	226,520
Transfers	-	-	-	-	-	-	(12,500)	-	100,000	-
Total governmental activities	10,302,273	11,870,860	13,023,647	14,014,636	14,858,937	13,285,467	12,388,765	12,852,628	13,348,789	13,290,876
Business-type activities:										
Other taxes and licenses	39,049	42,524	33,542	35,484	35,492	43,979	51,126	52,525	54,075	50,813
Investment earnings, unrestricted	3,980	6,255	24,596	28,825	28,132	17,991	10,715	10,144	4,753	2,144
Miscellaneous, unrestricted	4,362	-	457	-	13,748	8,691	14,520	-	33	14,864
Transfers	-	-	-	-	-	-	-	-	(100,000)	-
Total business-type activities	47,381	48,779	58,595	64,309	77,372	70,661	76,361	62,669	(41,139)	67,821
Total primary government	10,349,654	11,919,639	13,082,242	14,078,945	14,936,309	13,356,128	12,465,126	12,915,297	13,307,650	13,358,697
Changes in Net Position										
Governmental activities	1,235,316	142,269	167,277	3,004,802	2,258,174	865,755	1,249,492	1,323,248	1,695,305	(29,135)
Business-type activities	92,855	36,789	184,273	147,363	131,448	62,465	68,467	34,627	(39,737)	77,856
Total primary government	\$ 1,328,171	\$ 179,058	\$ 351,550	\$ 3,152,165	\$ 2,389,622	\$ 928,220	\$ 1,317,959	\$ 1,357,875	\$ 1,655,568	\$ 48,721

TABLE 3

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

Fiscal Year	Property Tax	Local Sales Tax	Other Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
2004	\$ 7,383,057	\$ 1,815,784	\$ 505,854	\$ 27,636	\$ 6,397	\$ 9,738,728
2005	7,438,046	3,603,619	506,641	42,219	7,111	11,597,636
2006	8,136,631	3,752,643	496,862	34,842	7,195	12,428,173
2007	8,809,848	4,049,329	489,292	45,034	7,418	13,400,921
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

TABLE 4

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved by state statute	\$ 1,294,677	\$ 1,567,447	\$ 1,373,462	\$ 1,385,915	\$ 1,408,865	\$ 1,641,218	\$ 1,651,554	\$ -	\$ -	\$ -
Reserved For										
Inventory	12,138	15,096	35,643	27,175	24,272	24,069	-	-	-	-
Encumbrances	73,410	52,259	38,351	18,679	72,485	44,181	62,274	-	-	-
Register of Deeds	-	13,003	22,796	25,113	11,089	-	27,081	-	-	-
Unreserved										
Undesignated	2,914,093	1,853,142	dan	2,177,880	3,309,488	3,315,956	4,115,211	-	-	-
Designated for subsequent years' expenditures	-	526,505	559,750	40,817	43,670	539,317	308,289	-	-	-
Nonspendable:										
Prepaid	-	-	-	-	-	-	-	-	-	12,475
Restricted										
Stabilization by State Statute	-	-	-	-	-	-	-	1,269,072	1,469,856	1,595,257
Register of Deeds	-	-	-	-	-	-	-	35,577	30,377	30,474
Education	-	-	-	-	-	-	-	19,259	149,264	201,502
Committed										
Tax Revaluation	-	-	-	-	-	-	-	160,852	196,012	226,509
Assigned										
Subsequent year's expenditures	-	-	-	-	-	-	-	621,682	414,756	370,928
Unassigned	-	-	-	-	-	-	-	4,512,319	5,532,909	5,409,506
Total general fund	<u>\$ 4,294,318</u>	<u>\$ 4,027,452</u>	<u>\$ 2,030,002</u>	<u>\$ 3,675,579</u>	<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>
All other governmental funds										
Reserved by state statute	\$ 14,411	\$ 190,232	\$ 222,410	\$ 318,825	\$ 316,936	\$ 235,825	\$ 91,879	\$ -	\$ -	\$ -
Reserved For										
Inventory	-	-	-	-	-	-	-	-	-	-
Encumbrances	6,289	700	8,938	4,140	-	2,095	-	-	-	-
Unreserved, reported in nonmajor:										
Designated for subsequent year's expenditures	-	268,475	45,293	-	-	74,262	423,354	-	-	-
Undesignated										
Special revenue funds	977,230	781,828	987,335	1,231,133	1,220,027	1,186,846	724,071	-	-	-
Capital projects funds	441,369	228,002	114,366	2,061,444	1,245,731	352,207	446,287	-	-	-
Restricted										
Stabilization by State Statute	-	-	-	-	-	-	-	22,861	18,290	128,073
General Government	-	-	-	-	-	-	-	203,731	632,216	377,450
Public Safety	-	-	-	-	-	-	-	841,699	4,185,359	918,343
Economic Development	-	-	-	-	-	-	-	238,387	150,843	26,219
Human Services	-	-	-	-	-	-	-	75,215	16,945	16,968
Culutral and Recreational	-	-	-	-	-	-	-	46,221	50,346	50,430
Unassigned	-	-	-	-	-	-	-	(5,974)	(426)	(51,600)
Total all other governmental fund	<u>\$ 1,439,299</u>	<u>\$ 1,469,237</u>	<u>\$ 1,378,342</u>	<u>\$ 3,615,542</u>	<u>\$ 2,782,694</u>	<u>\$ 1,851,235</u>	<u>\$ 1,685,591</u>	<u>\$ 1,422,140</u>	<u>\$ 5,053,573</u>	<u>\$ 1,465,883</u>

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

TABLE 5

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

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Ad Valorem taxes	\$ 7,383,057	\$ 7,678,570	\$ 7,819,445	\$ 8,845,456	\$ 9,152,289	\$ 9,487,847	\$ 9,497,206	\$ 9,921,103	\$ 10,048,226	\$ 10,049,512
Other taxes and licenses	2,321,638	3,140,987	3,149,925	3,303,360	3,532,946	2,608,389	1,945,673	2,045,832	2,278,282	2,377,261
Unrestricted Intergovernmental	325,634	236,577	247,491	251,752	233,650	248,064	185,470	256,218	200,362	192,202
Restricted Intergovernmental	7,572,245	7,348,531	7,563,650	10,276,536	8,010,639	8,540,095	8,620,865	7,662,996	8,234,402	7,259,181
Permits and fees	356,547	631,159	561,928	543,220	532,070	464,882	457,005	372,551	454,451	461,549
Sales and services	1,485,014	1,791,821	1,614,228	1,988,158	2,217,279	2,343,959	2,412,776	2,211,576	1,994,210	2,103,642
Investment earnings	107,002	85,088	185,206	225,712	294,289	118,962	31,767	18,458	21,351	12,328
Miscellaneous	362,366	54,092	201,713	143,566	145,409	94,580	80,603	153,182	177,958	315,302
Total Revenues	19,913,503	20,966,825	21,343,586	25,577,760	24,118,571	23,906,778	23,231,365	22,641,916	23,409,242	22,770,977
Expenditures										
Current:										
General government	1,988,928	2,155,621	2,394,524	2,803,416	2,475,636	2,599,753	2,416,327	2,468,431	2,420,079	2,538,192
Public safety	3,698,324	3,900,738	4,005,953	4,346,784	4,923,453	5,009,197	5,093,273	5,243,023	5,538,007	5,788,594
Environmental protection	58,326	59,436	66,686	72,421	73,994	76,770	77,957	91,359	82,372	84,601
Economic and physical development	373,643	469,875	631,878	603,732	462,784	637,715	646,353	433,037	445,626	526,691
Human Services	8,621,260	9,536,680	9,995,605	10,293,605	10,131,519	9,469,557	8,879,535	8,882,518	9,251,869	9,169,801
Cultural and recreational	482,196	443,520	469,457	549,946	574,047	557,241	541,811	550,408	534,461	529,239
Intergovernmental:										
Education	2,837,811	3,288,564	3,173,637	3,071,899	3,191,959	3,592,260	3,544,272	3,169,266	3,018,865	3,048,865
Capital outlay	365,593	-	-	11,189	901,238	1,098,705	419,269	518,744	5,208,454	3,787,180
Debt service:										
Principal	939,112	1,433,769	1,076,237	1,105,318	1,042,584	1,027,265	962,163	970,480	465,194	628,848
Interest and other charges	634,173	391,384	351,354	311,274	286,915	253,535	264,141	98,749	305,469	349,579
Total expenditures	19,999,366	21,679,587	22,165,331	23,169,584	24,064,129	24,321,998	22,845,101	22,426,015	27,270,396	26,451,590
Excess of revenues over (under) expenditures	(85,863)	(712,762)	(821,745)	2,408,176	54,442	(415,220)	386,264	215,901	(3,861,154)	(3,680,613)
Other financing sources (uses)										
Transfers in from other funds	2,365,775	2,355,855	2,857,784	2,255,189	2,840,128	2,374,894	1,814,362	498,669	1,700,303	85,137
Transfers out to other funds	(2,365,775)	(2,355,855)	(2,857,784)	(2,255,189)	(2,840,128)	(2,374,894)	(1,826,862)	(523,669)	(1,600,303)	(85,137)
Proceeds from the issuance of debt	-	475,834	-	208,001	307,000	-	2,560,000	-	8,567,000	146,400
Premium on debt	-	-	-	-	-	-	19,468	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	(2,519,208)	-	-	-
Total other financing sources (uses)	-	475,834	-	208,001	307,000	-	47,760	(25,000)	8,667,000	146,400
Net change in fund balances	\$ (85,863)	\$ (236,928)	\$ (821,745)	\$ 2,616,177	\$ 361,442	\$ (415,220)	\$ 434,024	\$ 190,901	\$ 4,805,846	\$ (3,534,213)
Debt service as a percentage of noncapital expenditure	8.64%	8.51%	6.49%	6.18%	5.88%	5.61%	5.52%	4.98%	3.23%	4.76%

TABLE 6

CASWELL COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
2004	\$ 7,368,113	\$ 1,815,784	\$ 19,188	\$ 27,636	\$ 6,397	\$ 9,237,118
2005	7,662,338	2,627,070	18,491	42,219	7,111	10,357,229
2006	7,802,264	2,644,991	18,525	34,842	7,195	10,507,817
2007	8,828,438	2,814,068	13,921	45,034	7,418	11,708,879
2008	9,133,407	2,799,193	17,681	19,099	7,614	11,976,994
2009	9,487,847	4,035,897	18,523	19,099	7,614	13,568,980
2010	9,497,206	2,299,932	18,651	315	7,604	11,823,708
2011	9,921,103	2,150,040	17,260	408	7,337	12,096,148
2012	10,048,226	2,314,067	17,463	138	7,511	12,387,405
2013	\$ 10,049,512	\$ 2,340,947	\$ 16,891	\$ 8,543	\$ 8,016	\$ 12,423,909

TABLE 7

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

Fiscal Year Ended June 30	Property Excluding Registered Motor Vehicles	Motor Vehicles	Plus Discoveries	Less Abatements	Total Taxable Assessed Value	Total Direct Tax Rate
2004*	\$ 976,627,108	\$ 8,743,760	\$ 936,290	\$ (1,674,226)	\$ 984,632,932	0.6611
2005	1,147,702,000	121,612,566	-	(17,791,333)	1,251,523,233	0.6000
2006	1,212,616,902	57,454,670	-	(3,233,995)	1,266,837,577	0.6000
2007	1,241,366,794	62,554,833	-	(5,667,569)	1,298,254,058	0.6450
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

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

Source: Caswell County Tax Department

TABLE 8

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

Tax Year	Caswell County	Town of Yanceyville
2004	0.600	0.300
2005	0.600	0.300
2006	0.645	0.300
2007	0.672	0.300
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

Source: Caswell County Tax Department and the Town of Yanceyville

The total direct rate for the county has no specific components.

TABLE 9

CASWELL COUNTY, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2013 AND TEN YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	2013			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Progress Energy	\$ 19,299,766	1	1.32%	-	-	0.00%
Duke Energy Corp	16,609,039	2	1.13%	8,626,985	2	0.82%
EMC Piedmont	10,247,073	3	0.70%	7,154,742	4	0.68%
Yanceyville HCRE LLC	7,002,021	4	0.48%	-	-	0.00%
Southside Materials LLC	7,030,762	5	0.48%	-	-	0.00%
Norfolk Southern	5,440,727	6	0.37%	3,135,683	9	0.30%
Mebtel Communications Inc.	3,546,697	7	0.24%	-	-	0.00%
Southside Realty Investments	3,534,065	8	0.24%	-	-	0.00%
Public Service Co of NC Inc	3,466,124	9	0.24%	-	-	0.00%
Central Telephone Co	3,453,741	10	0.24%	5,922,402	5	0.56%
BellSouth Telephone	-	-	0.00%	8,519,891	3	0.81%
Burlington Industries	-	-	0.00%	17,256,240	1	1.63%
Carolina Power & Light	-	-	0.00%	5,892,301	6	0.56%
Caswell Pines Golf Co	-	-	0.00%	3,254,122	8	0.31%
Vulcan Land, Inc	-	-	0.00%	3,295,719	7	0.31%
Carpediem West LLC	-	-	0.00%	3,036,908	10	0.29%
Totals	<u>\$ 79,630,015</u>		<u>5.44%</u>	<u>\$ 66,094,993</u>		<u>6.27%</u>

TABLE 10

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 6,505,604	\$ 6,241,354	95.94%	\$ 234,376	\$ 6,475,730	99.54%
2005	7,542,970	7,224,144	95.77%	284,444	7,508,588	99.54%
2006	7,601,025	7,246,041	95.33%	324,858	7,570,899	99.60%
2007	8,345,589	7,965,340	95.44%	345,463	8,310,803	99.58%
2008	8,862,255	8,456,367	95.42%	341,324	8,797,691	99.27%
2009	9,217,803	8,850,355	96.01%	297,637	9,147,992	99.24%
2010	9,249,009	8,855,999	95.75%	304,269	9,160,268	99.04%
2011	9,298,541	8,893,686	95.65%	275,678	9,169,364	98.61%
2012	9,774,691	9,421,720	96.39%	188,261	9,609,981	98.31%
2013	\$ 9,915,827	\$ 9,557,555	96.39%	\$ -	\$ 9,557,555	96.39%

TABLE 11

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Private Placement Bonds	Installment Obligations	Capital Leases			
2004	\$ 7,245,000	\$ -	\$ 1,777,302	\$ 228,646	\$ 9,250,948	5.71%	0.24%
2005	6,470,000	-	1,649,498	152,750	8,272,248	6.63%	0.28%
2006	5,715,000	-	1,392,731	88,279	7,196,010	8.10%	0.35%
2007	4,985,000	-	1,350,297	17,056	6,352,353	10.23%	N/A
2008	4,275,000	-	1,335,365	6,404	5,616,769	12.10%	N/A
2009	3,580,000	-	1,009,503	-	4,589,503	N/A	N/A
2010	2,990,000	-	722,340	-	3,712,340	N/A	N/A
2011	2,285,000	-	456,860	-	2,741,860	N/A	N/A
2012	2,045,928	8,567,000	246,666	-	10,859,594	N/A	N/A
2013	\$ 1,794,159	\$ 8,342,000	\$ 239,218	\$ -	\$ 10,375,377	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 12

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

Fiscal Year	General Obligation Bonds	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	\$ 7,825,000	14.82	0.79%	331.23
2005	7,245,000	13.21	0.58%	306.03
2006	6,470,000	11.10	0.51%	275.05
2007	5,715,000	7.67	0.44%	243.64
2008	4,985,000	6.29	0.38%	205.45
2009	4,275,000	N/A	0.24%	183.45
2010	3,580,000	N/A	N/A	151.78
2011	2,990,000	N/A	N/A	126.06
2012	2,045,928	N/A	N/A	86.26
2013	\$ 1,794,159	N/A	N/A	75.64

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

N/A Information not available for this period.

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

TABLE 13

	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed value	\$ 984,632,932	\$ 1,251,523,233	\$ 1,266,837,577	\$ 1,298,254,058	\$ 1,321,109,782	\$ 1,461,487,707	\$ 1,470,430,664	\$ 1,470,929,329	\$ 1,483,261,154	\$ 1,504,677,846
Debt limit (8% of total assessed value)	78,770,635	100,121,859	101,347,006	103,860,325	105,688,783	116,919,016	117,634,453	117,674,346	118,660,892	120,374,228
Debt applicable to limit:										
Total bonds	7,245,000	6,470,000	5,715,000	4,985,000	4,275,000	3,580,000	2,990,000	2,285,000	10,612,928	10,136,159
Total installment payments	1,777,302	1,649,498	1,392,731	1,350,297	1,335,365	1,009,503	722,340	456,860	246,666	239,218
Total capital leases	228,646	152,750	88,279	17,056	6,404	-	-	-	-	-
Total debt applicable to limitations	9,250,948	8,272,248	7,196,010	6,352,353	5,616,769	4,589,503	3,712,340	2,741,860	10,859,594	10,375,377
Legal debt margin	<u>\$ 69,519,687</u>	<u>\$ 91,849,611</u>	<u>\$ 94,150,996</u>	<u>\$ 97,507,972</u>	<u>\$ 100,072,014</u>	<u>\$ 112,329,513</u>	<u>\$ 113,922,113</u>	<u>\$ 114,932,486</u>	<u>\$ 107,801,298</u>	<u>\$ 109,998,851</u>
Total net debt applicable to the limit	11.74%	8.26%	7.10%	6.12%	5.31%	3.93%	3.16%	2.33%	9.15%	8.62%

TABLE 14

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

Year	Population (1)	Median Age (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	Number of Building Permits (5)
2004	23,624	39.2	527,864	22,547	3,360	7.9%	1584
2005	23,674	39.4	548,427	23,492	3,244	7.7%	1255
2006	23,523	39.7	582,738	24,915	3,337	7.2%	1159
2007	23,457	41	649,879	23,233	3,210	7.2%	980
2008	24,264	41	679,756	23,189	3,148	7.8%	1183
2009	23,303	41	N/A	N/A	3,273	13.5%	920
2010	23,587	41	N/A	N/A	3,030	11.9%	944
2011	23,719	43.6	N/A	N/A	2,880	10.9%	875
2012	23,767	N/A	N/A	N/A	2,880	9.6%	943
2013	23,839	N/A	N/A	N/A	2,777	9.3%	867

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) State Board of Education.
- (4) NC Employment Security Commission.
- (5) Total number of building permits issued by Caswell County Inspections Department.
- N/A Not Available.

TABLE 15

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

2013				2009			
Employer	Employees	Rank	Percentage of Total County	Employer	Employees	Rank	Percentage of Total County
Caswell County Schools	575	1	5.36%	Caswell County Schools	582	1	5.83%
Caswell County Local Gov	219	2	2.04%	State of North Carolina	346	2	3.47%
State of NC DOC	171	3	1.59%	Caswell County Local Government	192	3	1.92%
Royal Park Uniform, Inc	118	5	1.10%	Royal Park Uniforms	100	4	1.00%
WS Construction	97	7	0.90%	WS Construction	72	5	0.72%
Ssc Yanceyville Operating Co	70	6	0.65%	Royal Textile Mills Inc.	70	6	0.70%
Caswell House	52	8	0.48%	Piedmont Community College	66	7	0.66%
Piedmont Comm College	44	10	0.41%	McDonalds	51	8	0.51%
Bayada Nurses, Inc	41	9	0.38%	Food Lion	50	9	0.50%
Food Lion LLC	40	10	0.37%	NC Dept of Transportation	28	10	0.28%
Total	<u>1427</u>		<u>13.31%</u>	Total	<u>1557</u>		<u>15.59%</u>

Source: NC Employment Security Commission and employers.

Percentage of Total County is calculated using the County's estimated employment totals (Source: NCESC)

* Information prior to 6-30-09 is unavailable

TABLE 16

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

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governing and Management	25	25	25	25	25	23	24	23	25	26
Community and Environment	3	3	3	2	5	2	2	5	5	5
Human Services	96	100	94	99	97	90	107	98	96	89
Public Safety	60	61	64	65	66	71	75	73	76	86
Cultural and Recreation	6	5	7	8	11	6	7	13	14	13
Total	190	194	193	199	204	192	215	212	216	219

Source: County Finance Department

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

TABLE 17

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

Function	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety/Sheriff										
Court Papers	8,480	8,389	8,425	8,551	7,051	7,186	7,350	6,514	6,586	5,618
Investigation Reports Filed	984	1,115	929	911	1,085	1,113	1,095	1,203	1,185	1,255
Calls Answered	41,276	37,859	28,487	27,798	34,383	35,717	38,945	34,287	31,362	13,006
Public Safety/Emerg Mgmt/Fire										
Number of calls dispatched (includes fire & medical first response calls)	8,866	13,940	15,613	16,646	16,910	15,772	15,704	15,431	16,590	15,060
Solid Waste										
Tonnage Disposed	10,990	7,759	7,410	7,447	7,756	7,063	7,531	7,159	7,155	7,504
Number of Households Served	7,390	7,241	7,405	7,680	8,000	8,122	8,200	7,873	8,622	8,729
Community Services/Library										
Circulation	49,996	56,922	62,248	63,172	60,128	66,989	67,962	73,883	69,054	62,471
Computer Use	5,895	6,190	7,527	10,170	6,657	7,687	7,796	8,823	10,808	12,486
Program Attendance	62,470	65,353	66,808	69,087	71,531	64,392	69,648	74,899	74,491	86,214
Community Services/Building Inspections										
Number of Building Permits Issued	406	360	303	233	266	206	205	206	175	178
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	1,301	871	1,074	935	917	714	739	669	768	689
Human Services/Social Services										
Average # Medicaid Eligible Cases	2,745	3,361	3,580	3,638	3,755	4,726	4,777	4,847	5,124	4,768
Average # Food Stamp Households per month	1,383	1,536	1,701	1,744	1,775	1,885	2,106	2,574	2,607	2,674
Average \$ Fraud Collections per month	884	2,466	1,795	1,891	4,587	5,379	5,084	4,134	5,180	2,299
Aging & Nutrition Services/ Meals Served	12,557	12,522	12,755	14,379	11,245	10,600	9,718	8,734	8,885	10,085
Aging & Nutrition Services/Clients Served	1,676	1,705	1,836	1,802	1,622	1,740	1,224	1,131	1,158	1,132
Meals on Wheels/Meals Served	N/A	N/A	N/A	24,722	27,232	26,397	31,234	32,517	33,388	32,106
Meals on Wheels/Clients Served	N/A	N/A	N/A	1,287	1,375	2,256	1,559	1,647	1,701	1,671
Register of Deeds										
Documents Recorded	5,049	5,067	3,722	4,093	4,432	3,364	3,090	2,925	3,085	3,150
Marriage Licenses	126	132	120	104	117	85	91	99	114	88
Births & Deaths	129	131	147	142	141	185	658	812	768	806
Education										
School enrollment	3,360	3,244	3,337	3,210	3,148	3,273	3,030	2,880	2,824	2,777

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

N/. Not available

TABLE 18

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

Function	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administration	1	0	0	2	2	1	1	1	2	2
Building Inspections	2	2	2	2	2	1	1	1	1	1
Maintenance	3	3	3	3	3	3	3	3	3	6
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	44	42	45	45	57	58	56	56	62	53
Emergency management	1	3	3	3	3	3	3	3	2	1
Ambulances	3	3	4	1	1	3	4	4	7	5
E911	1	1	2	2	2	2	2	2	2	1
Environmental Protection										
Soil & Water Conservation	1	1	1	1	0	0	0	0	1	1
Economic & Physical Development										
Economic Development/Planning	1	1	1	0	0	0	0	0	0	0
Planning	1	1	1	1	1	1	1	1	0	0
Human Services										
Transportation	11	11	11	12	10	13	11	11	11	13
Culture and Recreation										
Parks & Recreation	1	1	1	2	2	2	2	2	3	2
Farmer Lake	1	1	1	1	1	1	0	0	1	1
Library	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Landfill	2	2	2	2	2	2	2	2	2	2
Pump Stations	1	1	1	1	0	1	1	1	1	1
Elevated tanks	1	1	1	1	0	1	1	1	1	1
Elevated water pump station	1	1	1	1	0	1	1	1	1	1

Sources: Various county government departments.

COMPLIANCE SECTION

Winston, Williams, Creech, Evans, & Company, LLP

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Report On Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To The Board of County Commissioners
Caswell County, North Carolina

We have audited, in accordance with the audited standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Caswell County, North Carolina as of and for the year ended June 30, 2013 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 10, 2013. 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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Caswell County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given

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these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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 *Governmental Auditing Standards*.

We noted certain matters that we reported to management of the Caswell County, in a separate letter dated December 10, 2013.

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.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 10, 2013

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



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Report On Compliance with Requirements Applicable To Each Major Federal Program and Internal Control over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Caswell County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Caswell County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 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, 2013. Caswell County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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.

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Basis for Qualified Opinion on Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Caswell County did not comply with requirements regarding the CFDA 93.778 Medical Assistance Program as described in finding numbers 13-1 and 13-2 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Caswell County to comply with the requirements applicable to that program.

Qualified Opinion on Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Medical Assistance Program for the year ended June 30, 2013.

Unmodified Opinion the Other 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 13-1 and 13-2. Our opinion on each major federal program is not modified with respect to these matters.

Caswell County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. Caswell County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 13-1 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-2 to be a significant deficiency.

Caswell County's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Caswell County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 10, 2013

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA
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K. Jamison Crampton, CPA

Report On Compliance with Requirements Applicable To Each Major State Program and Internal Control over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Caswell County, North Carolina

Report on Compliance for Each Major State Program

We have audited Caswell County, North Carolina, 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, 2013. Caswell County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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 on Caswell County's compliance.

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Basis for Qualified Opinion on the Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, Caswell County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in finding numbers 13-1 and 13-2 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Caswell County to comply with the requirements applicable to those programs.

Qualified Opinion on the Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Medical Assistance for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major State Programs

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 other major state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 13-1 and 13-2. Our opinion on each major state program is not modified with respect to these matters.

Caswell County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. Caswell County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-1 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-2 to be a significant deficiency.

Caswell County's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Caswell County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 10, 2013

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses _____yes X none reported

Noncompliance material to financial
statements noted _____yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? X yes _____no
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses X yes _____none reported

Type of auditor's report issued on compliance for major federal programs: Unqualified,
for all programs except for Medical Assistance Program, which was qualified.

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 X yes _____no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program
10.557	Special Supplemental Nutrition Program for Women, Infants, & Children

Dollar threshold used to distinguish
between Type A and Type B Programs \$ 738,764

Auditee qualified as low-risk auditee? _____yes X no

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? X yes no
- Significant Deficiency(s) identified that are not considered to be material weaknesses X yes none reported

Type of auditor's report issued on compliance for major State programs: Unqualified, for all programs except for Medical Assistance Program, which was qualified.

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X yes no

Identification of major State programs:

Program Name

Medical Assistance

State County Special Assistance

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Centers for Medicare and Medicaid Services

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance

Program Name: Medical Assistance Program

CFDA #: 93.778

Finding: 13-1

MATERIAL WEAKNESS

MATERIAL NONCOMPLIANCE

Income Verification and Budget Calculations for Eligibility

Criteria: Case records should contain verification that automated matches were completed. These matches include Unemployment Benefits, Social Security, SSI and DOT. If income or resources are listed in the matches, the case record should reflect that they were addressed. Case files should also contain income verification such as pay stubs, wage verification form, award letters for benefits, etc. Earned income is converted to a monthly amount. Total countable income is then compared to and must be lower than the State-provided income maintenance amounts for the Medicaid program.

Condition: There were 9 errors noted in the calculation of monthly income and comparison to income limits provided by the State in the budget process.

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Questioned Costs: Applicants were still eligible with correct amounts. Therefore no costs questioned.

Context: There were 60 Medicaid cases that were reviewed for automated income matches and income verification/correctly computed budgets. Six case files had miscalculations within the budget. One case used the wrong maintenance amount to determine eligibility. The EIS shows the correct income level, but the budget sheet used the poverty level limit for 2013 when the review was done in November of 2012. 4 other files used an incorrect amount on the income/reserve calculations. For one of these cases, the retirement income for the client was included in the breakdown of unearned income, but the amount was not carried over to the budget sheet correctly. However, the EIS displayed the correct amount in its budget. Another case had calculated income for the budget correctly on the budget sheet, but the amount was inputted into EIS incorrectly. The correct amount of \$785 was shown on the budget calculation, but the EIS showed \$758. Another case used out-of-date Social Security payments when completing the budget. The review performed in January of 2013 used amounts from 2011 in its calculation instead of 2012. As a result, her and her spouse's income was understated. \$713 and \$864 were used instead of \$745 and \$895. The fourth case contained a document showing \$450 received as a contribution from another. This amount was not calculated or inputted into the system correctly. 2 files misused the child support income in its budget calculation. One case included \$100 of child support in its budget. Although this amount (which should not have been included) wasn't carried over into the system, the budget sheet showed the \$100 as income. The other case incorrectly calculated child support payments received, as well as disregarding earned income shown on the OLV.

Effect: Cases did not have a correct budget calculation for Medicaid eligibility. It is possible that these errors could lead to incorrectly approving or denying an applicant benefits. Benefits can be paid to ineligible applicants.

Cause: Ineffective budget review process.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on income calculations for each program type.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Any of the above cases that had been through second party reviews, the error was corrected at that time. Not all of the above cases had been through second party reviews. All of these cases were otherwise eligible for that Medicaid category. Even though there was a potential of ineligibility of applicants, this was not the case. There is no money cost to the State/County. These issues have been addressed at the time of the audit. We will continue to reiterate to the workers the importance of a more detailed narrative of actions taken and why those actions were taken. We continue to have weekly training sessions on Medicaid policies. We complete random second party reviews on cases on a regular basis. We would like as a County to complete 100% second party reviews on all cases processed by new workers and random reviews on existing workers before cases are processed, however in our County we do not have the resources to provide the manpower to accomplish 100% second party reviews.

**US Department of Health and Human Services
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance

Program Name: Medical Assistance Program

CFDA #: 93.778

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Finding: 13-2

SIGNIFICANT DEFICIENCY

SIGNIFICANT NONCOMPLIANCE

Liquid Assets and Reserve Calculations for Eligibility

Criteria: Case records should contain documentation that liquid assets were verified and whether countable or non-countable for purposes for determining eligibility. The countable reserves are then compared to and must be below the State-provided reserve limits for the particular Medicaid program.

Condition: There were 4 errors noted in the calculation and verification of liquid assets for the cases that require resource limits on liquid assets.

Questioned Costs: Client was still eligible after errors were corrected. Therefore no costs questioned.

Context: Out of the 60 Medicaid files tested, 1 did not document which vehicles the client still had in his or her possession at the time of the review. The caseworker stated that she incorrectly marked out a vehicle on the OLV. The caseworker also failed to properly notate which cars the client still had in his possession. 3 of the 6 vehicles on the OLV had been marked out leaving the other 3 to be included in the reserve calculation. Client was still eligible for Medicaid. Another case file out of the 60 tested indicated that the applicant had a checking account however there was no notation that the checking account had been verified. An additional case file indicated verified cash of \$239 however \$259 was used in the reserve calculation.

Effect: Files are incomplete/incorrect and do not support reserve calculations.

Cause: Ineffective case review process, incomplete documentation, and incorrect application of rules for what is countable or non-countable for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping stressed. Workers should also be retrained on what is countable and non-countable for purposes of determining eligibility with regards to reserve / liquid asset calculations.

Views of responsible officials and planned corrective actions: The County agrees with the finding. These issues were a result of a lack of documentation by the workers. Even though it had the potential of being an ineligible case, it was not. There is no money cost to the State/County. These issues have been addressed at the time of the audit. We will continue to reiterate to the workers the importance of a more detailed narrative of actions taken and why those actions were taken. We continue to have weekly training sessions on Medicaid policies. We complete random second party reviews on cases on a regular basis. We would like as a County to complete 100% second party reviews on all cases processed by new workers and random reviews on existing workers before cases are processed, however in our County we do not have the resources to provide the manpower to accomplish 100% second party reviews.

Section IV – State Award Findings and Questioned Costs

See Findings 13-1 and 13-2

**CASWELL COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

Finding: 13-1

Name of Contact Person: Diane Moorefield, Director of Social Services

Corrective Action: These issues have been addressed at the time of the audit. We will continue to reiterate to the workers the importance of a more detailed narrative of actions taken and why those actions were taken. We continue to have weekly training sessions on Medicaid policies. We complete random second party reviews on cases on a regular basis.

Proposed Completion Date: September 30, 2013.

Finding: 13-2

Name of Contact Person: Diane Moorefield, Director of Social Services

Corrective Action: These issues have been addressed at the time of the audit. We will continue to reiterate to the workers the importance of a more detailed narrative of actions taken and why those actions were taken. We continue to have weekly training sessions on Medicaid policies. We complete random second party reviews on cases on a regular basis.

Proposed Completion Date: September 30, 2013.

Section IV – State Award Findings and Questioned Costs

See Findings 13-1 and 13-2

**CASWELL COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Finding 12-01

The County continues to strive to eliminate expenditures in excess of budget.

Finding 12-02

The County continues to obtain additional training with regards to GAAP, preparation of financial statements, and the HUD filing system. The County continues to correct and file late submissions to work towards being timely in HUD financial filings.

Finding 12-03

Caseworkers received additional training around eligibility criteria for Medicaid. Additional training will continue as the Medicaid programs are undergoing changes from DHHS.

Finding 12-04

All workers received training on the program eligibility requirements.

Finding: 11-01

The County continues to try to keep duties separated among personnel as much as possible.

Finding: 11-02

The County has sought additional education guidance regarding preparation of financial statements.

Finding: 11-03

The management personnel obtained additional training during fiscal year 2012 - 13.

Finding:10-01

The County continues to try to keep duties separated among personnel as much as possible.

Finding: 10-02

The County continues to try to obtain additional knowledge concerning preparation of financial statements.

Finding: 10-03

The County continues to strive to eliminate expenditures in excess of budget.

CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
FEDERAL AWARDS:			
<u>US Dept. of Agriculture</u>			
<u>Food and Nutrition Services</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
Food Stamp Cluster:			
Supplemental Nutrition Assistance Program	10.561	\$ 140,567	\$ -
Total Food Stamp Cluster		<u>140,567</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Administration:			
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	116,030	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	285,272	-
Total Division of Public Health		<u>401,302</u>	<u>-</u>
Total U.S. Dept of Agriculture		<u>541,869</u>	<u>-</u>
<u>US Dept. of Housing and Urban Development</u>			
Passed-through the N.C. Department of Commerce:			
Office of Community Planning and Development			
Community Development Block Grant	14.228	141,663	-
Office of Public and Indian Housing			
Direct Program:			
Section 8 Housing	14.871	982,402	-
Passed-through NC Housing Finance Agency			
Home Investment Partnerships Program	14.239	74,266	-
Total U.S. Dept of Housing and Urban Development		<u>1,198,331</u>	<u>-</u>
<u>U.S. Dept. of Cultural Resources</u>			
Passed-through the N.C. Dept. of Cultural Resources			
State Library of NC			
Institute of Museum and Library Services	45.310	15,818	-
<u>U.S. Election Assistance Commission</u>			
Passed-through State Board of Elections			
Help America Vote Act	39.011	5,373	-
<u>Department of Homeland Security</u>			
Passed-through the N.C. Department of Crime Control and Public Safety:			
Division of Emergency Management:			
Emergency Food and Shelter	97.024	11,619	-
Emergency Management Performance Grant	97.042	35,500	-
Homeland Security	97.067	1,788	-
Total Department of Homeland Security		<u>48,907</u>	<u>-</u>
<u>US Department of Transportation</u>			
Federal Transit Administration			
Passed through N.C. Department of Transportation			
Community Transportation Program	20.509	169,259	16,802
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	7,204	901
Total Department of Transportation		<u>176,463</u>	<u>17,703</u>
<u>US Department of Justice</u>			
Passed through the NC Department of Juvenile Justice and			
Delinquency Prevention			
Crime Victim Assistance	16.575	45,221	-
JCPC Programs		-	97,534
Total US Department of Justice		<u>45,221</u>	<u>97,534</u>

CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>US Dept. of Health and Human Services</u>			
<u>Administration on Aging</u>			
Passed-through the Piedmont Triad Council of Governments:			
Agency Cluster:			
Special Programs for the Aging - Title III B			
Grants for Supportive Services	93.044	9,552	2,276
SSGB	93.667	3,787	3,607
Special Programs for the Aging - Title III C			
Nutrition Services	93.045	132,900	63,914
Special Programs for the Aging			
Title D - Disease Prevention	93.043	515	31
National Family Caregiver Support	93.052	9,536	636
Nutrition Service Incentive Program	93.053	25,315	-
Total Administration on Aging		181,605	70,464
<u>Administration for Community Living</u>			
Affordable Care Act-Aging and Disability Resource Center	93.517	110	-
<u>Administration for Children and Families</u>			
Passed-through the NC Dept. of Health and Human Services			
Division of Social Services:			
Family Violence Prevention	93.671	15,722	-
<u>Foster Care and Adoption Cluster:</u>			
Title IV-E Foster Care	93.658	125,782	8,828
Foster Care - Direct Benefit Payments	93.658	40,602	14,269
Adoption Assistance - Direct Benefits Payments	93.659	83,151	21,944
Total Foster Care and Adoption Cluster		249,535	45,041
Temporary Assistance for Needy Families			
Administration	93.558	338,917	-
Direct Benefit Payments	93.558	134,223	(14)
Child Support Enforcement	93.563	258,178	-
Refugee and Entrant Assistance	93.566	273	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	284,557	-
Child Welfare Services	93.645	7,208	-
Adoption Assistance	93.659	9,102	-
Social Services Block Grant	93.667	172,482	14,235
Promoting Safe & Stable Families	93.556	889	-
Chafee Foster Care Independence Program	93.674	3,031	757
Money Follows the Person Rebalancing Demonstration	93.971	874	-
Total Division of Social Services		1,459,269	60,019
Passed through the NC Dept. of Health and Human Services			
Subsidized Child Care:			
<u>Child Care Development Fund Cluster:</u>			
Division of Social Services			
Child Care Development Fund-Administration	93.596	80,391	-
Division of Child Development			
Child Care and Development Fund-Discretionary	93.575	142,234	-
Child Care and Development Fund-Mandatory	93.596	66,191	-
Child Care and Development Fund-Match	93.596	140,197	66,122
Total Child Care Fund Cluster		429,013	66,122
Temporary Assistance for Needy Families	93.558	85,272	-
Social Services Block Grant	93.667	2,106	-
Foster Care Title IV-E	93.658	3,690	1,743
Smart Start		-	2,739
State Appropriations		-	45,550
TANF-MOE		-	42,188
Total Subsidized Child Care Cluster		520,081	158,342
Total Administration for Children and Families		1,995,072	218,361

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>Center for Medicare and Medicaid Services</u>			
Passed through the NC Department of Insurance			
CMS Research - Demonstrations and Evaluations	93.779	6,250	-
Passed-through the NC Dept of Health and Human Services			
Division of Medical Assistance:			
Medical Assistance Program - Direct Benefit Payments	93.778	19,905,523	11,421,485
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	396,658	19,489
Childrens Health Insurance Program	93.767	9,852	965
Total Health Care Financing Administration		20,318,283	11,441,939
<u>Centers for Disease Control</u>			
Passed through the N.C. Dept. of Health and			
Human Services:			
Division of Public Health:			
Public Health Emergency Preparedness	93.069	28,985	-
Immunization Grants	93.268	6,652	-
Investigations and Technical Assistance	93.283	494	-
Temporary Assistance for Needy Families	93.558	1,077	-
Social Service Block Grant	93.667	-	400
Total Centers for Disease Control		37,208	400
<u>Office of Population Affairs</u>			
Passed through the NC Dept. of Health and Human Services			
Family Planning Services	93.217	15,952	-
<u>Health Resources and Services Administration</u>			
Passed through the NC Dept. of Health and Human Services			
Maternal and Child Health Services Block Grant	93.994	45,267	33,954
Total U.S. Dept. of Health and Human Services		22,593,497	11,765,118
Total federal awards		24,625,479	11,880,355
STATE AWARDS:			
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Libraries		-	82,717
<u>N.C. Dept. of Health and Human Services</u>			
<u>Division of Social Services:</u>			
State/County Special Assistance for Adults - Direct			
Benefit Payments		-	256,877
Administration		-	3,979
CWS Direct Benefit Payments		-	42,460
SFHF Maximization - Direct		-	867
State Foster Home		-	5,013
Incentive/Prog Integrity		-	620
Energy Program		-	4,104
Total Division of Social Services		-	313,920
<u>Division of Public Health:</u>			
Communicable Disease		-	10,911
Food and Lodging Fees		-	2,265
Environmental Health		-	4,000
General Aid to Counties		-	80,071
Public Health Nursing		-	400
Tuberculosis		-	1,659
Risk Reduction/Health Promotion		-	6,205
WHSF		-	5,262
TB Medical Services		-	540
School Nurse Funding Initiative		-	200,000
Total Division of Public Health		-	311,313
<u>Division of Aging:</u>			
In-Home Service		-	39,450
Senior Center		-	11,752
Total Division of Aging		-	51,202

**CASWELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL (DIRECT & PASS- THROUGH) EXPENDITURES	STATE EXPENDITURES
Total N.C. Dept. of Health and Human Services		-	676,435
<u>NC Dept. of Administration</u>			
Veteran Services Program		-	1,452
<u>N.C. Rural Economic Development Center</u>			
SECU Internship Program		-	3,750
<u>NC Council for Women/Domestic Violence Commission</u>			
Domestic Violence		-	46,308
Marriage License		-	24,467
Total NC County for Women/Domestic Violence Commission		-	70,775
<u>NC Dept of Environment and Natural Resources</u>			
Division of Soil and Water Conservation			
Soil Technician Grant		-	24,603
DPR-Recreational Trails Program		-	35,512
Total N.C. Dept. of Environment and Natural Resources		-	60,115
<u>NC Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP)			
ROAP Elderly and Disabled Transportation Assistance Program		-	49,972
ROAP - Work First		-	6,424
ROAP - Rural General Public Program		-	33,662
Total N.C. Dept. of Transportation		-	90,058
Total State Awards		-	985,302
Total federal and State awards		\$ 24,625,479	\$ 12,865,657

NOTES TO PRECEDING SCHEDULE OF FEDERAL AND STATE AWARDS:

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Caswell County, North Carolina, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of State, Local Governments, Non-Profit Organizations and the State Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

2. SUBRECIPIENTS

Of the federal and state expenditures presented in this schedule, Caswell County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
NONE		

3. 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.