

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018



*Prepared by the
Caswell County Finance Department*

Gwendolyn Vaughn, Finance Director

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

CASWELL COUNTY
TABLE OF CONTENTS
JUNE 30, 2018

INTRODUCTORY SECTION

	<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal		1-4
Caswell County Government		5
List of Principal Officials		6

FINANCIAL SECTION

Independent Auditors' Report		7-9
Management's Discussion and Analysis		10-18

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

Statement of Net Position	1	19
Statement of Activities	2	20

FUND FINANCIAL STATEMENTS:

Balance Sheet – Governmental Funds	3	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3a	22
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	4	23
Reconciliation Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	4a	24
Statement of Revenues, Expenses, and Changes in Fund Balance- Budget and Actual - General Fund and Special Fire District Fund	5	25
Statement of Fund Net Position –Proprietary Funds	6	26
Statement of Revenues, Expenditures, and Changes in Fund Net Position- Proprietary	7	27
Statement of Cash Flows – Proprietary Funds	8	28-29
Statement of Fiduciary Net Position – Fiduciary Funds	9	30

NOTES TO THE FINANCIAL STATEMENTS		31-66
-----------------------------------	--	-------

REQUIRED SUPPLEMENTAL FINANCIAL DATA

Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-1	67
Schedule of County Contributions (LGERS)	A-2	68
Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-3	69
Schedule of County Contributions (ROD)	A-4	70
Schedule of Changes in Total Pension Liability (LEO)	A-5	71

CASWELL COUNTY
TABLE OF CONTENTS
JUNE 30, 2018

Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)	A-6	72
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-7	73

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds

General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-1	74-81
Revaluation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-2	82
Capital Reserve Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-3	83
Library Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	B-4	84

Nonmajor Governmental Funds:

Combining Balance Sheet – Non-Major Governmental Funds	C-1	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	86
Special Fire District Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-3	87
Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-4	88-89
Revolving Loan Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-5	90
Special Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-6	91
Scattered Site Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-7	92

CASWELL COUNTY
TABLE OF CONTENTS
JUNE 30, 2018

County Building Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-8	93
Equipment and Automation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-9	94
School Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	C-10	95
Courthouse HVAC Project Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-11	96
<u>Enterprise Funds</u>		
Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	D-1	97
Caswell Department of Transportation Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	D-2	98
<u>Agency Funds</u>		
Trust and Agency Fund - Combining Statement of Net Position	E-1	99
Combining Statement of Changes in Fiduciary Net Position - Agency Funds	E-2	100
OTHER SCHEDULES		
Schedule of Ad Valorem Taxes Receivable	F-1	101
Analysis of Current Tax Levy-County-wide Levy	F-2	102
<u>STATISTICAL SECTION</u>		
Net Position by Components	<u>Table</u> 1	103
Changes in Net Position	2	104-105
Governmental Activities Tax Revenues by Sources	3	106
Fund Balances of Governmental Funds	4	107
Changes in Fund Balances of Governmental Funds	5	108
Assessed Value of Taxable Property	6	109

CASWELL COUNTY
TABLE OF CONTENTS
JUNE 30, 2018

STATISTICAL SECTION (continued)

Direct and Overlapping Governments	7	110
Principal Property Taxpayers	8	111
Property Tax Levies and Collections	9	112
Ratios of Outstanding Debt by Type	10	113
Ratios of General Bonded Debt Outstanding	11	114
Legal Debt Margin Information	12	115
Demographic and Economic Statistics	13	116
Principal Employers	14	117
Full-Time Equivalent County Employees by Function	15	118
Operating Indicators by Function	16	119
Capital Assets Statistics by Function	17	120

COMPLIANCE SECTION

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	121-122
Reporting on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	123-124
Reporting on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	125-126
Schedule of Findings and Questioned Costs	127-129
Corrective Action Plan	130
Summary Schedule of Prior Year Audit Findings	131
Schedule of Expenditures of Federal and State Awards	132-135

INTRODUCTORY SECTION



CASWELL COUNTY

144 Court Square, Yanceyville, NC 27379

www.caswellcountync.gov

336/694-4193

November 30, 2018

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, 2018. North Carolina State law requires all general-purpose local governments to publish each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

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

The County's financial statements have been audited by Thompson, Price, Scott, Adams and Co. P.A., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018, 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, 2018 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 Compliance 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.

LETTER OF TRANSMITTAL

The County

Caswell County, founded in 1777, is located in the north central Piedmont region of North Carolina, along the Virginia border. Approximately 22,646 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 and transportation support. The Board of Commissioners also extends financial support to certain agencies and groups who are involved in serving our citizens. Among them are the Caswell County Board of Education, Piedmont Community College, volunteer fire departments, the Piedmont Triad Partnership (a regional economic development organization), the Piedmont Triad Council of Governments, and Caswell Parish.

Economic Conditions and Outlook

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

The most recent data indicated median household income at \$40,570 compared to the state at \$48,256 according to US Census Bureau and FRED Economic Data statistics.

Employment categories include government, education, health care and social assistance, private industry, construction and retail trade. State and local government has the largest number of employees collectively, totaling over 800 workers. Other major employers employ about 630 workers. A variety of food service chains, local restaurants and private employers generally employ between 75-100 workers. The most significant impact of the lack of industry in the County is that a large percentage of the County’s workforce is forced to commute outside of the County to work.

The County’s unemployment rate for June 2018 was 4.8%, while reported at 4.5% for June 2017 according to FRED Economic Data reports

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

LETTER OF TRANSMITTAL

Management Policies

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

Major initiatives

Economic development continues to be a key focus over the next several years. The County has partnered with Piedmont Community College to employ an Economic Developer and Small Business Center Director. This effort is expected to

assist in initiatives to expand the County's Industrial Park along the US Highway 29 corridor and developing the existing acreage in the Caswell Industrial Park with agriculturally focused education and business new construction. Concurrent with that; our focus is on the development of small commercial businesses within the County. This is occurring though the renovation of two separate building which will be connected into a 9,000 sq. ft. co-working space designed to help entrepreneurs with internet access/speed and office space in a collaborative environment.

With the approval of a bond referendum, Caswell County will begin the construction process of a new High School this year. Funding is made possible by a 15 million dollar grant through the Department of Public Instruction to the Caswell County Board of Education, 3 million from the Board of Education, and the issuance of 18.5 million dollars of General Obligation Bonds, totaling 36.5 million dollars.

As the Caswell County Board of Commissioners continues to implement the Comprehensive Plan, opportunity for community development, growth strategies, goals and policies are expected to help stimulate the economy of the County. Like many North Carolina counties, Caswell continues to be faced with budgetary restraints. Property tax collections remain a high priority with a stable collection rate above 98%. Sales & Use tax revenues show a minor increase while sales & services and permits and fees remain moderate.

Short and Long Term Financial Planning

The County's Comprehensive Plan is used as a guide for making strategic decisions for orderly growth and economic development.

The fiscal year 2018-2019 budget was adopted with an ad valorem tax rate of \$0.7090. Some major features of the 2018-2019 budget include:

- An ad valorem tax rate of \$0.7090 per \$100 valuation. A Fire Service District has been established with a tax rate of \$0.0369 per \$100 valuation; the same as Casville Special Fire District.
- The Solid Waste Management fee remained the same at \$44 per household.
- The budget does not include Phase II of the Countywide Pay and Class Plan.
- The Public Library Expansion Project is underway with the target completion in April 2019.

LETTER OF TRANSMITTAL

Awards and Accomplishments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Caswell County for its comprehensive annual financial report for the fiscal year ended June 30, 2016. The County also received this award for the fiscal years ended June 30, 1997 through 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

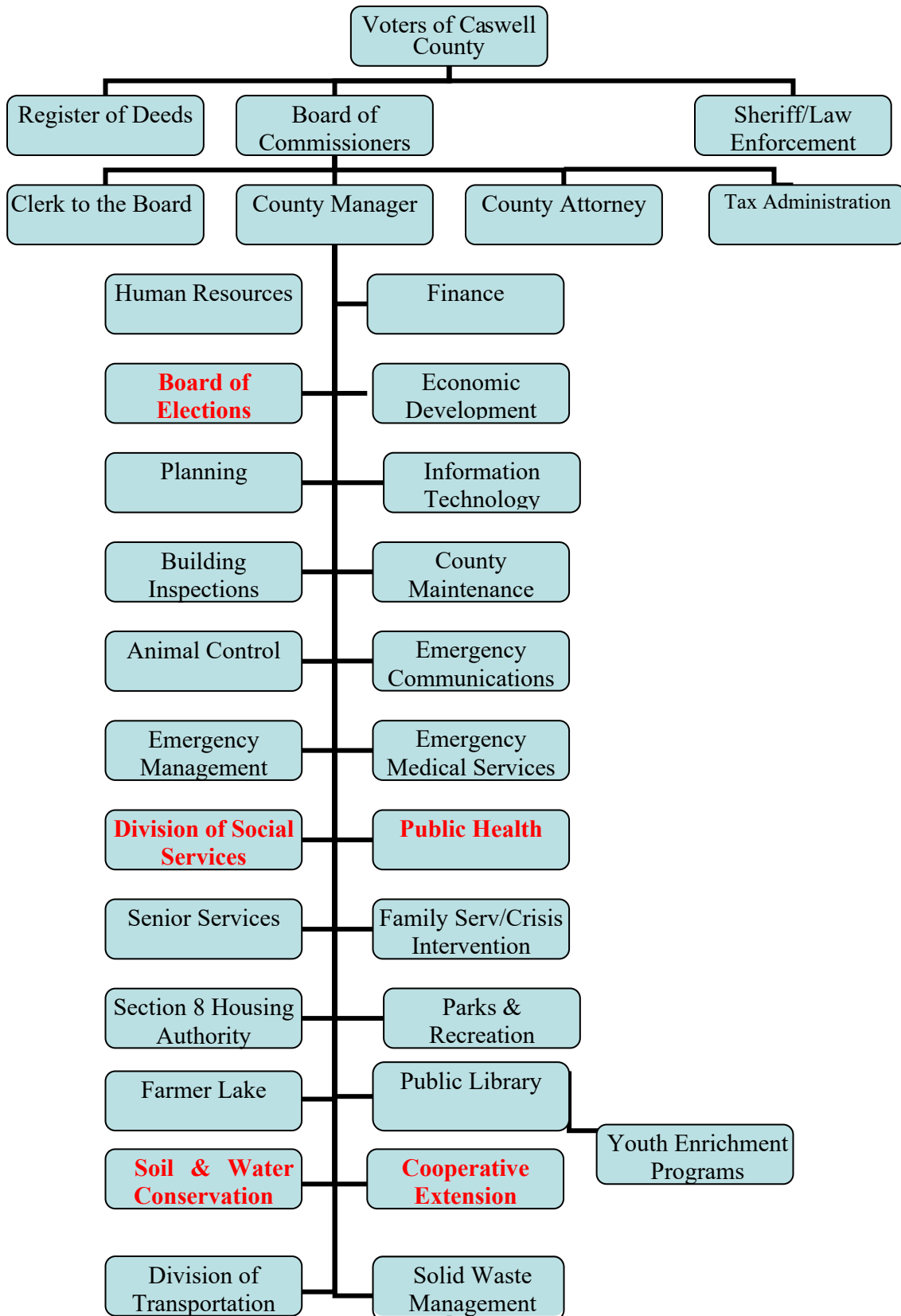
Bryan S. Miller

Bryan S. Miller, County Manager

Gwendolyn Y. Vaughn

Gwendolyn Y. Vaughn, Finance Director

CASWELL COUNTY ORGANIZATION CHART FY 2017-2018



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

**List of Principal Officers
June 30, 2018**

County Commissioners

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

County Officials

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

FINANCIAL SECTION



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

P.O Box 398

1626 S. Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Caswell County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise Caswell County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Caswell County ABC Board, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Caswell County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Caswell County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

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

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

Members

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Caswell County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Changes in the Total OPEB Liability and Related Ratios on pages 10 through 18 and 67 through 73, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018 on our consideration of Caswell County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caswell County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 30, 2018

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, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

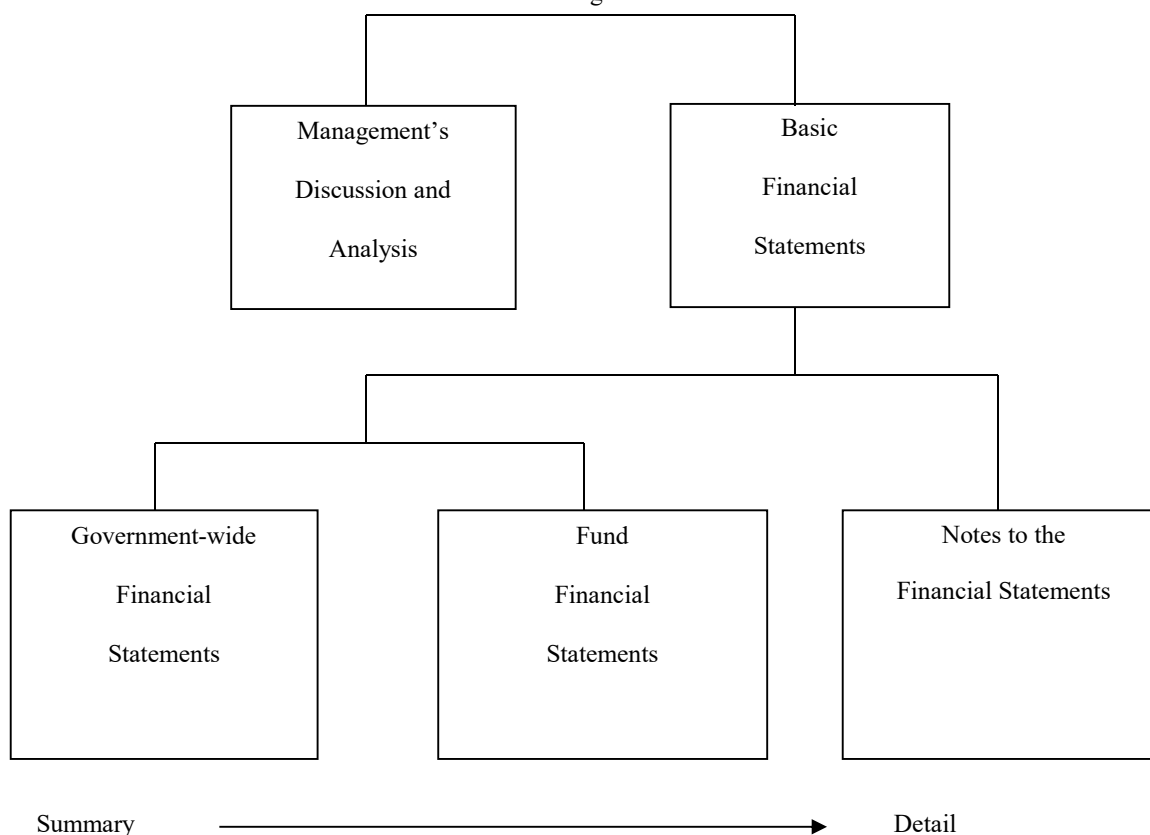
- The assets and deferred outflows of resources of Caswell County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$18,361,935 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,013,757 (net position).
- The total assets and deferred outflows of resources of Caswell County's business-type activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,348,178 (net position).
- The government's current net position increased by \$547,196. This increase was a result of an increase of \$897,275 in governmental activities and a decrease of \$350,079 in business-type activities. The County also recorded a restatement of beginning net position that resulted in a decrease of \$1,392,008 and \$87,860 in the governmental activities and business-type activities, respectively. This restatement was a result of the implementation of GASB 75.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$7,147,660; an increase of \$404,255 in comparison to the prior year. Approximately 50.51 percent of this total amount or, \$3,505,819 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,651,412 or 13.50 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt decreased by \$915,766 or 10.67 percent during the current fiscal year.
- The County's overall tax rate for the current fiscal year is 0.7459 cents per \$100 valuation. This rate includes 0.0369 cents per \$100 valuation for the Fire Service District.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 31 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Caswell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 67 - 73 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$18,361,935 as of June 30, 2018. The County's net position increased by \$547,196 for the fiscal year ended June 30, 2018. One of the largest portions, \$15,784,898 (85.97%) reflects the County's net investment in capital assets. Caswell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Caswell County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Caswell County's net position \$2,980,028 (16.23%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$402,991 (-2.19%) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 8,834,392	\$ 7,913,418	\$ 1,010,356	\$ 1,413,204	\$ 9,844,748	\$ 9,326,622
Capital assets	22,147,749	22,248,192	683,755	624,618	22,831,504	22,872,810
Total assets	30,982,141	30,161,610	1,694,111	2,037,822	32,676,252	32,199,432
Total deferred outflows of resources	2,031,429	2,478,192	55,358	65,753	2,086,787	2,543,945
Long-term liabilities outstanding	12,980,586	12,789,626	321,805	253,303	13,302,391	13,042,929
Other liabilities	2,742,678	2,154,365	68,955	60,797	2,811,633	2,215,162
Total liabilities	15,723,263	14,943,991	390,760	314,100	16,114,023	15,258,091
Total deferred inflows of resources	276,550	187,321	10,531	3,359	287,081	190,680
Net position:						
Net investment in capital assets	15,101,143	14,471,590	683,755	624,618	15,784,898	15,096,208
Restricted	3,016,482	1,849,355	-	-	3,016,482	1,849,355
Unrestricted	(1,103,868)	1,187,545	664,423	1,161,498	(439,445)	2,349,043
Total net position	\$ 17,013,757	\$ 17,508,490	\$ 1,348,178	\$ 1,786,116	\$ 18,361,935	\$ 19,294,606

Caswell County, along with many other countries in North Carolina, funds school facilities that become assets of the school district and community college facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General Obligation Bonds have been issued by the County to fund the majority of the costs of these assets. The County's liabilities at June 30, 2018 include outstanding general obligation debt of \$630,309 related to funding these non-county assets. This represents 100% of the County's outstanding General obligation debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's net position and presents a less favorable picture as compared to governments that do not extensively fund the capital of other government entities.

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

- Construction of library facilities.
- Restatement of fund balance as a result of the implementation of GASB 75.

Caswell County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 3,273,417	\$ 2,915,018	\$ 1,009,215	\$ 1,224,855	\$ 4,282,632	\$ 4,139,873
Operating grants and contributions	6,032,515	5,993,590	-	-	6,032,515	5,993,590
Capital grants and contributions	530,000	382,263	-	-	530,000	382,263
General revenues:						
Property taxes	12,833,668	11,535,534	-	-	12,833,668	11,535,534
Sales taxes	4,503,682	4,258,419	-	-	4,503,682	4,258,419
Other taxes	-	-	51,581	57,785	51,581	57,785
Other	120,356	102,196	2,186	2,532	122,542	104,728
Total revenues	27,293,638	25,187,020	1,062,982	1,285,172	28,356,620	26,472,192
Expenses:						
General government	3,158,690	2,910,099	-	-	3,158,690	2,910,099
Public safety	8,671,161	8,598,810	-	-	8,671,161	8,598,810
Environmental protection	110,309	106,459	-	-	110,309	106,459
Economic and physical development	777,188	560,353	-	-	777,188	560,353
Human services	8,820,823	9,395,883	-	-	8,820,823	9,395,883
Cultural and recreation	825,686	795,874	-	-	825,686	795,874
Education	3,791,195	4,174,503	-	-	3,791,195	4,174,503
Interest on long-term debt	241,311	293,437	-	-	241,311	293,437
Solid waste	-	-	963,997	887,158	963,997	887,158
Transportation	-	-	449,064	475,587	449,064	475,587
Total expenses	26,396,363	26,835,418	1,413,061	1,362,745	27,809,424	28,198,163
Increase in net position before transfers and special items	897,275	(1,648,398)	(350,079)	(77,573)	547,196	(1,725,971)
Transfers and special items	-	-	-	-	-	-
Increase in net position after transfers and special items	897,275	(1,648,398)	(350,079)	(77,573)	547,196	(1,725,971)
Net position, beginning	17,508,490	19,464,004	1,786,117	1,863,690	19,294,607	21,327,694
Net position, beginning, restated	16,116,482	19,156,888	1,698,257	1,863,690	17,814,739	21,020,578
Net position, ending	\$ 17,013,757	\$ 17,508,490	\$ 1,348,178	\$ 1,786,117	\$ 18,361,935	\$ 19,294,607

Governmental activities. Governmental activities increased the County's net position by \$897,275. Key elements of this increase are:

- Increase in property tax rates.
- Improved collections of emergency medical services using an outside collection agency.
- Overall decrease in expenditures.
- Continued use of revenue from inmate housing.

Business-type activities. Business-type activities decreased Caswell County's net position by \$350,079. Key elements of this decrease is primarily due to a significant decline in charges for services.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Caswell County. At the end of the current fiscal year, Caswell County's fund balance available in the General Fund was \$5,331,796, while total fund balance reached \$7,018,071. 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 19.71%, while total fund balance represents 25.95% 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 13.50% of total General Fund expenditures, while total fund balance represents 25.95% of the same amount of expenditures. Fund balance for the General Fund increased \$550,086 over the prior year. Expenditures (including transfers) decreased from the previous year by \$548,088. Several factors contributing to the decrease includes a decrease in capital spending.

Revenues increased \$1,466,133 primarily due to an increase in ad valorem taxes and local option sales tax.

At June 30, 2018, the governmental funds of Caswell County reported a combined fund balance of \$7,147,660, a 5.99% percent increase over the previous year. The primary reasons for this increase were a result of the County decreasing expenditures in the General Fund, and an increase in revenues from ad valorem taxes and local option sales taxes.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the total budget by 2.98% or \$788,653. The largest change involving human services due to increased health department fees, as well as increases for ad valorem and other taxes.

Proprietary Funds. Caswell County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Management and Transportation Funds at the end of the fiscal year totaled \$664,423. The total net position for the funds decreased \$350,079. Other factors concerning the finances of these two funds have already been addressed in the discussion of Caswell County's Business- Type activities.

Capital Asset and Debt Administration

Capital Assets. Caswell County's capital assets for its governmental and business-type activities as of June 30, 2018, totals \$22,831,504 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include purchases of a vehicle for the Sheriff department, EMS equipment upgrades, and a library construction project.

**Caswell County's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
Construction in Progress	1,457,511	1,157,120	-	-	1,457,511	1,157,120
Buildings	14,566,314	14,323,327	9,923	10,577	14,576,237	14,333,904
Improvements	874,339	944,351	204,807	212,285	1,079,146	1,156,636
Equipment	609,687	842,602	70,843	69,693	680,530	912,295
Vehicles	1,014,715	1,247,569	360,682	294,563	1,375,397	1,542,132
Audiovisuals	5,565	5,565	-	-	5,565	5,565
Other Assets	2,694,401	2,802,130	-	-	2,694,401	2,802,130
Infrastructure	9,347	9,658	-	-	9,347	9,658
Total	\$ 22,147,749	\$ 22,248,192	\$ 683,755	\$ 624,618	\$ 22,831,504	\$ 22,872,810

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

Long-term Debt. As of June 30, 2018, Caswell County had total bonded debt outstanding of \$6,202,000 , the majority of which is backed by the full faith and credit of the County.

**Caswell County's Outstanding Debt
Figure 5**

	Governmental Activities	
	2018	2017
Bonds	\$ 6,202,000	\$ 7,078,000
Plus: Premiums on Issuance	5,309	7,079
Total Bonds	6,207,309	7,085,079
Installment Purchases	1,455,639	1,422,030
Capital Leases	-	71,605
Total	\$ 7,662,948	\$ 8,578,714

Caswell County's total debt decreased by \$915,766 (10.67 percent) during the past fiscal year, primarily due to the issuance of an additional installment purchase agreement, offset by the repayment of debt obligations.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Caswell County is \$136,896,380. The County's current general obligation debt represents approximately 0.34% of total assessed value of taxable property.

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

Economic Factors and Next Year's Budgets and Rates

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

- The County's Ad Valorem tax rate was adopted at \$0.7090 per \$100 valuation. A Fire Service District has been established with a tax rate of \$0.0369 per \$100 valuation, the same as Casville Special Fire District.
- The Solid Waste Management fee remained the same at \$44 per household.
- The Public Library Expansion Project is underway with a target completion in April 2019.
- Funds from the County's Occupancy Tax levy will be used to promote travel and tourism.
- Upon approval of a bond referendum, the County will begin a Capital Project/High School Construction. The project is projected at \$36.5 million dollars using multiple funding sources including DPI grant funding, school funding and general obligation bonds.
- The County continues to focus on the development of small commercial businesses and will purchase property for renovation into a co-working space designed to help entrepreneurship.

Budget Highlights for Fiscal Year Ending June 30, 2019

Government Activities

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

Business Type Activities

Rates for Solid Waste remains at a reduced rate for a small savings to County residents. The Solid Waste Fund will continue upgrades/improvements to Convenience Centers. Transportation rates and services are expected to remain the same. Revenues are projected to continue to grow at a slow pace for the business-type activities.

Requests for Information

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

Gwendolyn Y. Vaughn
Finance Director
Caswell County
144 Court Square
Yanceyville, NC 27373
(336) 694-4193
gvaughn@caswellcountync.gov

Bryan S. Miller
County Manager
Caswell County
144 Court Square
Yanceyville, NC 27373
(336) 694-4193
bmiller@caswellcountync.gov

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Caswell County, North Carolina
Statement of Net Position
June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
ASSETS				
Cash and cash investments	\$ 5,730,856	\$ 918,407	\$ 6,649,263	\$ 319,798
Restricted cash and cash equivalents	915,383	-	915,383	-
Taxes receivable (net)	350,514	54,626	405,140	-
Accrued interest receivable on taxes	41,235	-	41,235	-
Accounts receivables (net)	1,700,004	37,323	1,737,327	-
Internal Balances	-	-	-	-
Prepaid items	67,924	-	67,924	12,453
Inventories	-	-	-	119,994
Net Pension Asset	28,476	-	28,476	-
Capital assets:				
Land, improvements, and construction in progress	2,373,381	37,500	2,410,881	6,000
Other capital assets, net of depreciation	19,774,368	646,255	20,420,623	152,788
Total capital assets	22,147,749	683,755	22,831,504	158,788
Total assets	\$ 30,982,141	\$ 1,694,111	\$ 32,676,252	\$ 611,033
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,031,429	\$ 55,358	\$ 2,086,787	\$ 21,639
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,219,723	\$ 62,917	\$ 1,282,640	\$ 74,952
Accrued interest payable	92,955	-	92,955	-
Long-term liabilities:				
Due within one year				
Bonds	872,770	-	872,770	-
Installment obligations	376,099	-	376,099	-
Compensated absences	181,131	6,038	187,169	-
Due in more than one year				
Bonds	5,334,539	-	5,334,539	-
Capital leases	-	-	-	-
Installment obligations	1,079,540	-	1,079,540	-
Compensated absences	543,392	18,113	561,505	-
Accrued postclosure liability	-	67,749	67,749	-
Net Pension Liability (LGERS)	2,214,450	59,719	2,274,169	26,429
Total Pension Liability (LEOSSA)	863,655	-	863,655	-
Net OPEB Liability	2,945,010	176,224	3,121,234	-
Total long-term liabilities	14,410,585	327,843	14,738,428	26,429
Total liabilities	\$ 15,723,263	\$ 390,760	\$ 16,114,023	\$ 101,381
DEFERRED INFLOWS OF RESOURCES	\$ 276,550	\$ 10,531	\$ 287,081	\$ 748
NET POSITION				
Net investment in capital assets	\$ 15,101,143	\$ 683,755	\$ 15,784,898	\$ 158,788
Restricted for:				
Register of deeds	57,002	-	57,002	-
Stabilization by state statute	1,741,008	-	1,741,008	-
General Government	160,293	-	160,293	-
Public Safety	36,454	-	36,454	-
Economic Development	23,702	-	23,702	-
Education	998,023	-	998,023	-
Unrestricted (deficit)	(1,103,868)	664,423	(439,445)	306,914
Total net position	\$ 17,013,757	\$ 1,348,178	\$ 18,361,935	\$ 530,543

Caswell County, North Carolina
Statement of Activities
For the Year Ended June 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government		Component Unit	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
Primary government:								
Governmental Activities:								
General government	\$ 3,158,690	\$ 341,523	\$ -	\$ -	\$ (2,817,167)	\$ -	\$ (2,817,167)	
Public safety	8,671,161	1,222,157	1,027,920	-	(6,421,084)	-	(6,421,084)	
Transportation	-	-	123,503	-	123,503	-	123,503	
Environmental protection	110,309	-	24,478	-	(85,831)	-	(85,831)	
Economic and physical development	777,188	28,922	318,554	-	(429,712)	-	(429,712)	
Human services	8,820,823	1,615,059	4,450,708	-	(2,755,056)	-	(2,755,056)	
Cultural and recreation	825,686	65,756	87,352	530,000	(142,578)	-	(142,578)	
Education	3,791,195	-	-	-	(3,791,195)	-	(3,791,195)	
Interest on long-term debt	241,311	-	-	-	(241,311)	-	(241,311)	
Total governmental activities	26,396,363	3,273,417	6,032,515	530,000	(16,560,431)	-	(16,560,431)	
Business-type activities:								
Solid Waste	963,997	542,258	-	-	-	(421,739)	(421,739)	
Caswell division of transportation	449,064	466,957	-	-	-	17,893	17,893	
Total business-type activities	1,413,061	1,009,215	-	-	-	(403,846)	(403,846)	
Total primary government	\$ 27,809,424	\$ 4,282,632	\$ 6,032,515	\$ 530,000	(16,560,431)	(403,846)	(16,964,277)	
Component Units:								
Caswell County ABC Board	\$ 2,198,959	\$ 2,180,612	\$ -	\$ -				\$ (18,347)
Total component units	\$ 2,198,959	\$ 2,180,612	\$ -	\$ -				(18,347)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					12,833,668	-	12,833,668	-
Local option sales tax					4,143,038	-	4,143,038	-
Other taxes and licenses					360,644	51,581	412,225	-
Investment earnings, unrestricted					73,145	1,908	75,053	94
Miscellaneous, unrestricted					47,211	278	47,489	1,782
Transfers					-	-	-	-
Total general revenues, special items, and transfers					17,457,706	53,767	17,511,473	1,876
Change in net position					897,275	(350,079)	547,196	(16,471)
Net position-beginning					17,508,490	1,786,117	19,294,607	547,014
Restatement					(1,392,008)	(87,860)	(1,479,868)	-
Net position-beginning, restated					16,116,482	1,698,257	17,814,739	547,014
Net position-ending					\$ 17,013,757	\$ 1,348,178	\$ 18,361,935	\$ 530,543

FUND
FINANCIAL STATEMENTS

Caswell County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

	Major Governmental		Non-Major	
	Library		Governmental Funds	
	General Fund	Development Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,074,729	\$ 449,004	\$ 207,123	\$ 5,730,856
Cash and cash equivalents-Restricted	901,416	-	13,967	915,383
Taxes Receivable	268,172	-	82,342	350,514
Accounts Receivable	1,645,271	-	54,733	1,700,004
Due from other funds	6,804	-	-	6,804
Prepaid Expenses	67,924	-	-	67,924
Total assets	<u>\$ 7,964,316</u>	<u>\$ 449,004</u>	<u>\$ 358,165</u>	<u>\$ 8,771,485</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 631,289	\$ 586,718	\$ 1,716	\$ 1,219,723
Due to other funds	-	-	6,804	6,804
Total liabilities	<u>631,289</u>	<u>586,718</u>	<u>8,520</u>	<u>1,226,527</u>
Deferred inflows of resources				
Prepaid taxes	46,784	-	-	46,784
Reserve for taxes receivable	268,172	-	82,342	350,514
Total deferred inflows of resources	<u>314,956</u>	<u>-</u>	<u>82,342</u>	<u>397,298</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	67,924	-	-	67,924
Restricted:				
Stabilization by State statue	1,686,275	-	54,733	1,741,008
Register of Deeds	57,002	-	-	57,002
Education	998,023	-	-	998,023
General Government	-	-	160,293	160,293
Public Safety	-	-	36,454	36,454
Economic Development	-	-	23,702	23,702
Human Services	-	-	-	-
Cultural and Recreational	-	-	-	-
Committed:				
Tax Revaluation	128,291	-	-	128,291
LEO Separation	33,816	-	-	33,816
Assigned:				
Subsequent year's expenditures	395,328	-	-	395,328
Unassigned:	3,651,412	(137,714)	(7,879)	3,505,819
Total fund balances	<u>7,018,071</u>	<u>(137,714)</u>	<u>267,303</u>	<u>7,147,660</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,964,316</u>	<u>\$ 449,004</u>	<u>\$ 358,165</u>	<u>\$ 8,771,485</u>

Caswell County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2018

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

Total Fund Balance - Governmental Funds	\$ 7,147,660
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	38,951,625
Less accumulated depreciation	<u>(16,803,876)</u>
Net capital assets	22,147,749
Net Pension Asset (Register of Deeds)	28,476
Deferred outflows of resources:	
Pension related deferrals	
LGERS	1,083,804
Register of Deeds	8,777
LEOSSA	88,794
Contributions to the pension plan in the current fiscal year (LGERS & ROD)	686,581
Benefit payments and pension administration costs for LEOSSA	22,509
Contributions to OPEB plan in the current fiscal year	128,906
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	41,235
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	12,058
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	350,514
Pension related deferrals	
LGERS	(77,505)
Register of Deeds	(557)
LEOSSA	(10,636)
OPEB related deferrals	(141,068)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(7,662,948)
Compensated absences	(724,522)
Net OPEB liability	(2,945,010)
Net pension liability - LGERS	(2,214,450)
Total Pension Liability (LEOSSA)	(863,655)
Accrued interest payable	<u>(92,955)</u>
Total adjustment	<u>9,866,097</u>
Net position of governmental activities	<u>\$ 17,013,757</u>

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	Major Governmental		Non-Major	
	Library		Governmental Funds	
	General Fund	Development Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	\$ 12,526,482	\$ -	\$ 372,258	\$ 12,898,740
Other taxes and licenses	3,585,040	-	6,054	3,591,094
Restricted intergovernmental	6,704,733	-	624,718	7,329,451
Unrestricted intergovernmental	181,408	-	-	181,408
Permits and fees	693,869	-	-	693,869
Sales and services	2,001,308	-	-	2,001,308
Investment earnings	71,854	108	1,183	73,145
Contributions	-	530,000	-	530,000
Miscellaneous	9,695	-	-	9,695
Total revenues	<u>25,774,389</u>	<u>530,108</u>	<u>1,004,213</u>	<u>27,308,710</u>
EXPENDITURES				
Current:				
General government	2,984,485	-	-	2,984,485
Public safety	6,552,514	-	1,325,852	7,878,366
Cultural and recreational	647,806	1,041,703	-	1,689,509
Environmental protection	107,419	-	-	107,419
Economic and physical development	511,151	-	190,851	702,002
Human Services	8,633,435	-	-	8,633,435
Intergovernmental:				
Education	3,791,195	-	-	3,791,195
Debt service:				
Principal	1,273,996	-	-	1,273,996
Interest	254,048	-	-	254,048
Total expenditures	<u>24,756,049</u>	<u>1,041,703</u>	<u>1,516,703</u>	<u>27,314,455</u>
Revenues over expenditures	<u>1,018,340</u>	<u>(511,595)</u>	<u>(512,490)</u>	<u>(5,745)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,775,105	-	-	1,775,105
Transfers (out)	(2,293,359)	-	518,254	(1,775,105)
Sale of equipment	50,000	-	-	50,000
Loan proceeds	-	360,000	-	360,000
Total other financing sources and uses	<u>(468,254)</u>	<u>360,000</u>	<u>518,254</u>	<u>410,000</u>
Net change in fund balance	550,086	(151,595)	5,764	404,255
Fund balances-beginning	<u>6,467,985</u>	<u>13,881</u>	<u>261,539</u>	<u>6,743,405</u>
Fund balances-ending	<u>\$ 7,018,071</u>	<u>\$ (137,714)</u>	<u>\$ 267,303</u>	<u>\$ 7,147,660</u>

Caswell County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures,
And Changes In Fund Balance of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2018

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

Net changes in fund balances - total governmental funds	\$ 404,255
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,372,001
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,472,444)
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	(360,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,273,996
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	1,770
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	686,581
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	22,509
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	128,906
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)	14,985
Compensated absences	(39,463)
OPEB plan expense	(215,828)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(4,018)
Pension expense	(850,903)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(50,395)
Increase in accrued interest receivable at end of year	(14,677)
Total changes in net position of governmental activities	<u>\$ 897,275</u>

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 12,549,192	\$ 12,700,388	\$ 12,526,482	\$ (173,906)
Other taxes and licenses	3,455,696	3,566,046	3,585,040	18,994
Restricted intergovernmental	6,846,234	6,908,293	6,704,733	(203,560)
Unrestricted intergovernmental	182,155	182,155	181,408	(747)
Permits and fees	645,067	692,727	693,869	1,142
Sales and services	1,571,850	1,837,711	2,001,308	163,597
Investment earnings	15,650	15,650	65,745	50,095
Miscellaneous	-	39,556	9,695	(29,861)
Total revenues	<u>25,265,844</u>	<u>25,942,526</u>	<u>25,768,280</u>	<u>(174,246)</u>
Expenditures				
Current:				
General government	3,256,618	3,207,290	2,984,485	222,805
Public safety	6,463,796	6,727,887	6,552,514	175,373
Environmental Protection	106,461	111,914	107,419	4,495
Economic and physical development	435,905	570,407	511,151	59,256
Human services	8,888,029	9,211,685	8,633,435	578,250
Cultural and recreational	617,833	673,112	647,806	25,306
Intergovernmental:				
Education	3,736,195	3,791,195	3,791,195	-
Debt service	1,528,963	1,528,963	1,528,044	919
Total expenditures	<u>25,033,800</u>	<u>25,822,453</u>	<u>24,756,049</u>	<u>1,066,404</u>
Revenues over (under) expenditures	<u>232,044</u>	<u>120,073</u>	<u>1,012,231</u>	<u>892,158</u>
Other financing sources (uses):				
Appropriated fund balance	430,340	542,311	-	(542,311)
Debt proceeds	-	-	-	-
Sale of equipment	-	-	50,000	50,000
Transfers from other funds	766,415	766,415	766,415	-
Transfers to other funds	(1,428,799)	(1,428,799)	(1,582,509)	(153,710)
Total other financing sources (uses)	<u>(232,044)</u>	<u>(120,073)</u>	<u>(766,094)</u>	<u>(646,021)</u>
Revenues and Other Financing Sources over expenditures and othe financing uses	<u>\$ -</u>	<u>\$ -</u>	246,137	<u>\$ 246,137</u>
Fund balances:				
Beginning of year, July 1			5,645,621	
Restatement of Fund Balance (see Note X)			-	
End of year, June 30			<u>\$ 5,891,758</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			576	
Revaluation Expense			-	
Transfer from General Fund			30,000	
Fund balance, beginning of year			<u>97,714</u>	
School Capital Reserve Fund				
Investment Earning			5,533	
Transfers-in from General Fund			978,690	
Transfer-out to General Fund			(710,850)	
Fund Balance, Beginning			<u>724,650</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 7,018,071</u>	

Caswell County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2018

	MAJOR		
	Solid Waste Management	Caswell Division of Transportation	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ 517,138	\$ 401,269	\$ 918,407
Taxes receivable (net)	54,626	-	54,626
Accounts receivable (net)	14,602	22,721	37,323
Due from other funds	-	-	-
Total current assets	586,366	423,990	1,010,356
Noncurrent assets:			
Capital assets:			
Land, improvements and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	329,927	316,328	646,255
Total capital assets	367,427	316,328	683,755
Total noncurrent assets	367,427	316,328	683,755
Total assets	953,793	740,318	1,694,111
DEFERRED OUTFLOWS OF RESOURCES	21,626	33,732	55,358
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities:			
Accounts Payable	54,677	8,240	62,917
Compensated absences payable	2,983	3,055	6,038
Total current liabilities	57,660	11,295	68,955
Noncurrent liabilities:			
Compensated absences	8,950	9,163	18,113
Other postemployment benefits	98,191	78,033	176,224
Net pension liability	21,720	37,999	59,719
Accrued postclosure liability	67,749	-	67,749
Total noncurrent liabilities	196,610	125,195	321,805
Total liabilities	254,270	136,490	390,760
DEFERRED INFLOWS OF RESOURCES	5,463	5,068	10,531
NET POSITION			
Net investment in capital assets	367,427	316,328	683,755
Unrestricted	348,259	316,164	664,423
Total net position	\$ 715,686	\$ 632,492	\$ 1,348,178

Caswell County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For The Fiscal Year Ended June 30, 2018

	MAJOR		
	Solid Waste	Caswell Department of Transportation	Totals
Revenues:			
Operating Revenues:			
Charges for Services	\$ 542,258	\$ 458,609	\$ 1,000,867
Total Operating Revenues	<u>542,258</u>	<u>458,609</u>	<u>1,000,867</u>
Expenditures:			
Operating Expenses:			
Administration			
Salaries	-	82,103	82,103
Other expenses	-	76,770	76,770
Operations:			
Salaries	137,422	164,782	302,204
Other Expenses	775,456	77,860	853,316
Depreciation	51,119	47,549	98,668
Total Expenditures	<u>963,997</u>	<u>449,064</u>	<u>1,413,061</u>
Operating income (loss)	<u>(421,739)</u>	<u>9,545</u>	<u>(412,194)</u>
Nonoperating Revenues (Expenses)			
Interest Earned on Investments	1,139	769	1,908
Interest Earned on interfund loan	-	-	-
Disposal Tax	51,581	-	51,581
Miscellaneous Revenue	278	-	278
Gain (Loss) on disposal of assets	-	8,348	8,348
Total Nonoperating Revenues	<u>52,998</u>	<u>9,117</u>	<u>62,115</u>
CHANGE IN NET POSITION	(368,741)	18,662	(350,079)
TOTAL NET POSITION BEGINNING	1,151,816	634,301	1,786,117
RESTATEMENT	(67,389)	(20,471)	(87,860)
TOTAL NET POSITION, BEGINNING, RESTATED	<u>1,084,427</u>	<u>613,830</u>	<u>1,698,257</u>
TOTAL NET POSITION- ENDING	<u>\$ 715,686</u>	<u>\$ 632,492</u>	<u>\$ 1,348,178</u>

Caswell County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2018

	MAJOR		
	Solid Waste	Caswell Division of Transportation	Totals June 30, 2018
Cash flows from operating activities:			
Cash received from customers	\$ 560,958	\$ 469,976	\$ 1,030,934
Cash paid for goods and services	(783,525)	(148,475)	(932,000)
Cash paid to employees for services	(132,241)	(243,784)	(376,025)
Miscellaneous Revenue	278	-	278
Net cash provided (used) by operating activities	(354,530)	77,717	(276,813)
Cash flows from noncapital financing activities			
Disposal tax	51,581	-	51,581
(Increase) decrease in due from other funds	-	-	-
Transfers out	-	-	-
Net cash provided (used) by noncapital financial activities	51,581	-	51,581
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(157,805)	-	(157,805)
Proceeds from sale of property and equipment	-	8,348	8,348
Net cash provided (used) by capital and related financing activities	(157,805)	8,348	(149,457)
Cash flows from investing activities:			
Interest on interfund loan	-	-	-
Interest on investments	1,139	769	1,908
Net cash flows from investing activities	1,139	769	1,908
Net increase (decrease) in cash and cash equivalents	(459,615)	86,834	(372,781)
Cash and cash equivalents, July 1	976,753	314,435	1,291,188
Cash and cash equivalents, June 30	\$ 517,138	\$ 401,269	\$ 918,407

(continued)

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

Caswell County, North Carolina
Proprietary Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2018

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

Operating income (loss)	\$ (421,739)	\$ 9,545	\$ (412,194)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	51,119	47,549	98,668
Miscellaneous Revenue	278	-	278
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	18,700	11,367	30,067
(Increase) decrease in deferred outflows of resources for pensions	6,588	11,521	18,109
(Increase) decrease in deferred outflows of resources for OPEB	(4,298)	(3,416)	(7,714)
Increase (decrease) in accounts payable and accrued liabilities	1,807	6,155	7,962
Increase (decrease) in deferred inflows of resources for pensions	(462)	(807)	(1,269)
Increase (decrease) in deferred inflows of resources for OPEB	4,703	3,738	8,441
Increase (decrease) in net pension liability	(5,291)	(9,252)	(14,543)
Increase (decrease) in accrued postclosure liability	(9,876)	-	(9,876)
Increase (decrease) in compensated absences	1,449	(664)	785
Increase (decrease) in net OPEB liability	2,492	1,981	4,473
Total adjustments	<u>67,209</u>	<u>68,172</u>	<u>135,381</u>
Net cash provided (used) by operating activities	\$ <u>(354,530)</u>	\$ <u>77,717</u>	\$ <u>(276,813)</u>

Caswell County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

	Agency Funds
ASSETS	
Cash and investments	\$ 30,394
Accounts Receivable	2,596
Total Assets	<u>\$ 32,990</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous Liability	\$ 32,990
Total liabilities	<u>32,990</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Pension	<u>\$ 32,990</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Unit

Caswell County ABC Board

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

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

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

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

The County reports the following major governmental fund:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund and the School Capital Reserve Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

Library Development Fund. This capital project fund is used to account for funds set aside for equipment and capital improvements at the library.

The County reports the following enterprise funds:

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

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

Additionally, the County reports the following fiduciary fund types:

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

Non-major Funds. The County maintains nine legally budgeted nonmajor funds. The Fire District Fund, Emergency Telephone System, Revolving Loan, and Special Grants Funds are reported as non-major special revenue funds. The County Building, Equipment and Automation, School Capital Projects, Scattered Site, and Courthouse HVAC Fund are reported as capital project funds.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

C. Measurement Focus, Basis of Accounting

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

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

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund (which includes the Revaluation Fund and School Capital Reserve Fund), the Special Revenue Funds (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 three of the Capital Projects Funds (County Building Fund, the Equipment and Automation 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 four funds, the Scattered Site Fund, the Detention Center Project Fund, the Library Development Fund, and the Senior Center Project Capital Project Funds.

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

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

1. Deposits and Investments

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Deposits and Investments (Continued)

State Law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

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

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

Caswell County Restricted Cash

Governmental Activities

General Fund	Tax Revaluation	\$ 128,291
General Fund	Register of Deeds	57,002
General Fund	Unexpended School Restricted Capital	716,123
Courthouse HVAC Fund	Unexpended Project Funds	13,967
Total Restricted Cash		<u>\$ 915,383</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017.

5. Allowance for Doubtful Accounts

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

6. Inventory

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

7. Capital Assets

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

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

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

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

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

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

8. Deferred Outflows/Inflows of resources

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund and the ABC Board. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2018 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and there is no current portion. A current portion has been estimated.

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Fund Balances (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

12 Defined Benefit Pension and OPEB Plans

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

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The following funds had a deficit fund balance as follows:

	<u>Amount</u>
Scattered Grants Fund	\$ 1,367
Library Development Fund	137,714

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

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Deposits (Continued)

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

At June 30, 2018 the County's deposits had a carrying amount of \$1,456,837 and a bank balance of \$1,679,579. Of the bank balance, \$250,000 was covered by federal depository insurance; and \$1,429,579 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2018, the carrying amount of deposits for the ABC Board's deposits was \$314,723 and a bank balance of \$322,211. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2018, the ABC Board had \$ 5,075 in petty cash and change funds.

2. Investments

At June 30, 2018, the County's investments consisted of \$6,138,203 in the North Carolina Capital Management Trust Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

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

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

Year				
Levied	Tax	Interest	Total	
2015	\$ 1,207,907	\$ 321,089	\$ 1,528,996	
2016	1,218,566	323,922	1,542,488	
2017	1,464,168	389,209	1,853,377	
2018	1,639,152	94,251	1,733,403	
Total	\$ 5,529,793	\$ 1,128,471	\$ 6,658,264	

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

4. Receivables

Receivables at the government-wide level at June 30, 2018, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
Governmental Activities:					
General	\$ 2,563,429	\$ 721,407	\$ -	\$ 259,713	\$ 3,544,549
Other Governmental	54,733	82,342	-	-	137,075
Total Receivables	\$ 2,618,162	\$ 803,749	\$ -	\$ 259,713	\$ 3,681,624
Allowance for Doubtful Accts.	(1,177,871)	(412,000)	-	-	(1,589,871)
Total Gov't Activities	\$ 1,440,291	\$ 1,215,749	\$ -	\$ 259,713	\$ 2,091,753
Business-type Activities:					
Solid Waste	\$ 14,602	\$ 74,926	\$ -	\$ -	\$ 89,528
CDOT	22,721	-	-	-	22,721
Total Receivables	\$ 37,323	\$ 74,926	\$ -	\$ -	\$ 112,249
Allowance for Doubtful Accts.	-	(20,300)	-	-	(20,300)
Total Business-type	\$ 37,323	\$ 54,626	\$ -	\$ -	\$ 91,949

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

Governmental Activities:	
Sales and Use Tax	\$ 141,663
NCVTS - Motor Vehicle Tax	118,050
Total	<u>\$ 259,713</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018, was as follows:

<u>Governmental Activities:</u>	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in Progress	1,157,120	1,271,424	(971,033)	-	1,457,511
Total capital assets not being depreciated	2,072,990	1,271,424	(971,033)	-	2,373,381
Capital assets being depreciated:					
Building	20,998,235	971,033	-	-	21,969,268
Improvements	2,524,120	-	-	-	2,524,120
Equipment	3,891,725	67,350	-	-	3,959,075
Vehicles	2,692,490	33,227	-	-	2,725,717
Audio Visual	55,644	-	-	-	55,644
Other Assets	5,327,143	-	-	-	5,327,143
Infrastructure	17,277	-	-	-	17,277
Total capital assets being depreciated:	35,506,634	1,071,610	-	-	36,578,244
Less accumulated depreciation for:					
Building	6,674,908	728,046	-	-	7,402,954
Improvements	1,579,769	70,012	-	-	1,649,781
Equipment	3,049,123	300,265	-	-	3,349,388
Vehicles	1,444,921	266,081	-	-	1,711,002
Audio Visual	50,079	-	-	-	50,079
Other Assets	2,525,013	107,729	-	-	2,632,742
Infrastructure	7,619	311	-	-	7,930
Total accumulated depreciation:	15,331,432	\$ 1,472,444	\$ -	\$ -	16,803,876
Total capital assets being depreciated, net	20,175,202				19,774,368
Governmental activity capital assets, net	\$ 22,248,192				\$ 22,147,749

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

General Government	\$ 206,220
Public Safety	897,913
Economic and Physical Development	66,771
Human Services	115,596
Cultural and Recreational	185,944
Total Depreciation Expense	<u>\$ 1,472,444</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Capital Assets (Continued)

Business-type activities:

Solid Waste	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 37,500	\$ -	\$ -	\$ -	\$ 37,500
Total capital assets not being depreciated:	37,500	-	-	-	37,500
Capital assets being depreciated:					
Buildings	27,102	-	-	-	27,102
Land Improvements	120,417	-	-	-	120,417
General Equipment	335,836	30,028	-	-	365,864
Vehicles	170,458	127,777	-	-	298,235
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated :	1,057,488	157,805	-	-	1,215,293
Less accumulated depreciation for:					
Buildings	16,525	654	-	-	17,179
Land Improvements	120,417	-	-	-	120,417
General Equipment	266,568	28,453	-	-	295,021
Vehicles	27,062	22,012	-	-	49,074
Other Assets	403,675	-	-	-	403,675
Total accumulated depreciation:	834,247	\$ 51,119	\$ -	\$ -	885,366
Total capital assets being depreciated, net	223,241				329,927
Solid Waste capital assets, net	\$ 260,741				\$ 367,427

Caswell Division of Transportation	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets being depreciated:					
Building Improvements	\$ 231,507	\$ -	\$ -	\$ -	\$ 231,507
Land improvements	16,900	-	-	-	16,900
Computer Equipment	10,190	-	-	-	10,190
Vehicles	430,367	-	-	-	430,367
Total capital assets not being depreciated:	688,964	-	-	-	688,964
Less accumulated depreciation for:					
Building Improvements	28,939	5,788	-	-	34,727
Land Improvements	7,183	1,690	-	-	8,873
Computer Equipment	9,765	425	-	-	10,190
Vehicles	279,200	39,646	-	-	318,846
Total accumulated depreciation	325,087	47,549	-	-	372,636
Total capital assets being depreciated :	363,877	\$ (47,549)	\$ -	\$ -	316,328
Caswell Div. Transportation capital assets, net	363,877				316,328
Business-type activities capital assets, net	\$ 624,618				\$ 683,755

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Capital Assets (Continued)

Caswell County ABC Board	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated :					
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Total capital assets not being depreciated	6,000	-	-	-	6,000
Capital assets being depreciated					
Buildings	185,964	13,720	-	-	199,684
Warehouse equipment	2,326	-	-	-	2,326
Vehicles	39,519	-	-	-	39,519
Office furniture and equipment	31,236	-	-	-	31,236
Store Fixtures and equipment	128,006	-	-	-	128,006
Leasehold improvements	32,952	-	-	-	32,952
Total capital assets being depreciated	420,003	13,720	-	-	433,723
Less accumulated depreciation for:					
Assets being depreciated	254,972	25,963	-	-	280,935
Total accumulated depreciation	254,972	\$ 25,963	\$ -	\$ -	280,935
Total capital assets being depreciated ,net	165,031				152,788
ABC Board capital assets-net	\$ 171,031				\$ 158,788

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018, were as follows :

	Vendors
Governmental Activities:	
General	\$ 631,289
Library Development Fund	586,718
Other Governmental	1,716
Total Governmental Activities	\$ 1,219,723
Business-type Activities:	
Solid Waste	\$ 54,677
CDOT	8,240
Total Business-type Activities	\$ 62,917

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers, 7.58% for general employees and firefighters, and 7.58% for DSS employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$701,348 for the year ended June 30, 2018.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

At June 30, 2018, the County reported a liability of \$2,274,169 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the County's proportion was 0.1489%, which was an increase of 0.0156% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$788,794. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,013	\$ 64,375
Changes of assumptions	324,783	-
Net difference between projected and actual earnings on pension plan investments	552,171	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	105,065	15,220
County contributions subsequent to the measurement date	701,348	-
Total	<u>\$ 1,814,380</u>	<u>\$ 79,595</u>

\$701,348 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June

2019	\$ 135,717
2020	686,749
2021	357,987
2022	(147,016)
2023	-
Thereafter	-
	<u>\$ 1,033,437</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.00%	1.4%
Global Equity	42.00%	5.3%
Real Estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation	6.00%	4.0%
Total	<u>100.00%</u>	

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 6,827,105	\$ 2,274,169	\$ (1,526,096)

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

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits.	0
Active plan members	37
Total	40

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2 Summary of Significant Accounting Policies

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

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

3 Actuarial Assumptions

The entry age actuarial costs method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2016.

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

4 Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions by employees. The County paid \$19,336 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported total pension liability of \$863,655. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$76,519.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,675	\$ -
Changes of assumption	41,119	10,636
Benefit payments and administrative expenses subsequent to the measurement date	22,509	-
Total	<u>\$ 111,303</u>	<u>\$ 10,636</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$22,509 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 17,992
2020	17,992
2021	17,992
2022	18,180
2023	6,002
Thereafter	-

\$22,509 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

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

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 933,551	\$ 863,655	\$ 799,565

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

	2018
Beginning balance	\$ 707,495
Service Cost	39,068
Interest on the total pension liability	26,936
Change in benefit terms	-
Difference between expected and actuarial experience	58,788
Changes of assumptions or other inputs	50,704
Benefit payments	(19,336)
Other changes	-
Ending balance of the total pension liability	<u>\$ 863,655</u>

Changes of assumptions. Changes of assumptions and other inputs reflected a change in the discount rate from 3.86 percent at December 31, 2016 to 3.16 percent at December 31, 2017.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through December 31, 2014.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$154,411, which consisted of \$75,734 from the County and \$78,677 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,650 for the year ended June 30, 2018.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

At June 30, 2018, the County reported an asset of \$28,476 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2017, the County's proportion was 0.1668%, which was a decrease of 0.0067% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$6,303. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 489	\$ 92
Changes of assumptions	4,805	-
Net difference between projected and actual earnings on pension plan investments	2,421	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	1,062	465
County contributions subsequent to the measurement date	3,650	-
Total	<u>\$ 12,427</u>	<u>\$ 557</u>

\$3,650 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2019	\$ 4,610
2020	2,715
2021	277
2022	618
Thereafter	-
	<u>\$ 8,220</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 22,382	\$ 28,476	\$ 33,601

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 2,274,169	\$ (28,476)	\$ -	\$ 2,245,693
Proportion of the Net Pension Liability (Asset)	0.1489%	0.1668%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 863,655	\$ 863,655
Pension Expenses	\$ 788,794	\$ 6,303	\$ 76,519	\$ 871,616

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 131,013	\$ 489	\$ 47,675	\$ 179,177
Changes of assumptions	324,783	4,805	41,119	370,707
Net difference between projected and actual earnings on pension plan investments	552,171	2,421	-	554,592
Change in proportion and differences between County contributions and proportionate share of contributions	105,065	1,062	-	106,127
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	701,348	3,650	22,509	727,507
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 64,375	\$ 92	\$ -	\$ 64,467
Changes of assumptions	-	-	10,636	10,636
Changes in proportion and differences between County contributions and proportionate share of contributions	15,220	465	-	15,685

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

c. Other Postemployment Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan). The Board of Commissioners may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	<u>2017</u>
Retirees and dependents receiving benefits	19
Active plan members	<u>232</u>
Total	<u><u>251</u></u>

Total OPEB Liability

The County's total OPEB liability of \$3,121,234 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.01 percent
Measurement Date	3.56 percent
Healthcare cost trend rates	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2016	\$ 3,177,462
Changes for the year:	
Service Cost at the end of the year*	156,545
Interest on TOL and Cash Flows	93,618
Change in benefit terms	-
Difference between expected and actual experience	(2,529)
Changes of assumptions or other inputs	(168,400)
Benefit payments	(135,462)
Other	-
Net Changes	<u>\$ (56,228)</u>
Total OPEB Liability as of June 30, 2017	<u>\$ 3,121,234</u>

*The service cost includes interest for the year.

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the County as of June 30, 2017 as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) and 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56 %)	Discount Rate (3.56 %)	1% Increase (4.56 %)
Net OPEB liability (asset)	\$ 3,436,145	\$ 3,121,234	\$ 2,842,794

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the County at June 30, 2018, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ 2,787,387	\$ 3,121,234	\$ 3,516,788

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the County recognized OPEB expense of \$228,743. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2018, the components of the net OPEB liability of the County, measured as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ -	\$ 2,212
Changes of assumptions	-	147,297
Benefit payments and administrative costs	136,619	-
Total	<u>\$ 136,619</u>	<u>\$ 149,509</u>

\$136,619 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30

2019	\$ 21,420
2020	21,420
2021	21,420
2022	21,420
2023	21,420
Thereafter	42,409

f. Other Employment Benefits

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

3 Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Charge on refunding of debt	\$ 12,058	\$ -
(Pensions, OPEB) - difference between expected and actual experience	179,177	66,679
(Pensions, OPEB) Changes of assumptions	370,707	157,933
(Pensions, OPEB) - difference between projected and actual investment	554,592	-
(Pensions, OPEB) - change in proportion and difference between employer contributions and proportionate share of contributions	106,127	15,685
Contributions to pension plan subsequent to the measurement date (LGERS, ROD)	704,998	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	136,619	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	22,509	-
Prepaid taxes not yet earned (General Fund)	-	46,784
Taxes receivable, net (General)	-	268,172
Taxes receivable, net (Special Revenue)	-	82,342
Total	<u>\$ 2,086,787</u>	<u>\$ 637,595</u>

4 Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners.

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 legal liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

5 Summary of Disclosure of Significant Commitments

a. Contingent Liabilities

At June 30, 2018, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the County will likely have to pay \$110,398 for an invoice to the NC Department of Public Safety. This charge was a result of the failure of an insurance plan to pay for charges associated with inmate hospital bills. This amount has been recorded as an accounts payable as of June 30, 2018.

b. Long-Term Obligations

a. Capital Leases

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

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
E911 Equipment	\$ 342,480	\$ 273,984	\$ 68,496

This lease was completed in the year ended June 30, 2018.

b. Installment Purchase

Paid or serviced by the General Fund:

Note payable to Piedmont Electric for purchase of an ambulance. Principal payments of \$36,000 with no interest for ten years due annually in July.	\$ 144,000
\$995,231 note payable to Piedmont Electric for the Library Improvement project. Principal payments of \$99,523 are due annually starting February 20, 2019. As of June 30, 2018 \$360,000 had been drawn down on the loan.	360,000
Note payable to Pinnacle Public Finance for the Courthouse HVAC replacement project. Principal payments of \$98,000, plus accrued interest at 2.15% are due annually starting August 1, 2016.	788,000
Note payable to American National Bank and Trust Company for the purchase of 5 Sheriff Vehicles. Principal payments of \$51,918, plus accrued interest at 1.93% are due annually starting May 1, 2016.	-
Note payable to American National Bank and Trust Company for the purchase of 12 Fleet Vehicles. Principal payments of \$54,399, plus accrued interest at 2.10% are due annually starting May 1, 2016.	110,149

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Installment Purchase (continued)

Note payable to the Fidelity Bank for the purchase of 5 Police Vehicles. Payments of \$54,841, including interest at 2.49% are due annually starting May 1, 2017.

	53,490
Total	<u>\$ 1,455,639</u>

Caswell County, the future minimum payments as of June 30, 2018, including \$80,950 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 376,099	\$ 20,606
2020	328,586	16,033
2021	198,523	12,685
2022	160,431	10,557
2023	98,000	8,428
2024-2028	294,000	12,641
Total	<u>\$ 1,455,639</u>	<u>\$ 80,950</u>

c. **General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2018 are comprised of the following individual issues:

Serviced by the County's General Fund:

General Obligation Bonds:

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

\$ 625,000

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2018 were as follows:

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2019	\$ 215,000	\$ 19,250
2020	210,000	12,800
2021	200,000	6,500
Total	<u>\$ 625,000</u>	<u>\$ 38,550</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

d. **Private Placement Bonds**

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

The County's private placement bonds payable at June 30, 2018 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$8,567,000 2011 Bonds Due February 1 and August 1 in installments of \$142,426 to \$447,983 through August 1, 2016; interest 3.325% \$ 5,577,000

Year Ending June 30	Governmental Activities	
	Revolving Loans	
	Principal	Interest
2019	\$ 656,000	\$ 179,982
2020	656,000	158,170
2021	656,000	136,358
2022	656,000	114,546
2023	656,000	92,734
2024-2027	2,297,000	152,802
Total	<u>\$ 5,577,000</u>	<u>\$ 834,592</u>

f. **Long-Term Obligation Activity:**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 845,000	\$ -	\$ 220,000	\$ 625,000	\$ 215,000
Plus premiums on issuance	7,079	-	1,770	5,309	1,770
Total General obligation bonds	852,079	-	221,770	630,309	216,770
Capital Leases	71,605	-	71,605	-	-
Private placement bonds	6,233,000	-	656,000	5,577,000	656,000
Installment purchase	1,422,030	360,000	326,391	1,455,639	376,099
Compensated Absences	685,059	724,522	685,059	724,522	181,131
Net pension liability (LGRS)	2,753,749	-	539,299	2,214,450	-
Total pension liability (LEOSSA)	707,495	156,160	-	863,655	-
Net OPEB liability	2,858,088	215,828	128,906	2,945,010	-
Total governmental activities	<u>\$ 15,583,105</u>	<u>\$ 1,456,510</u>	<u>\$ 2,629,030</u>	<u>\$ 14,410,585</u>	<u>\$ 1,430,000</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Long-Term Obligation Activity (Continued)

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion
Business-type Activities:					
Net OPEB liability					
Solid Waste	\$ 95,293	\$ 7,196	\$ 4,298	\$ 98,191	\$ -
Caswell Div. Transport	75,730	5,719	3,416	78,033	-
Total	171,023	12,915	7,714	176,224	-
Net Pension Liability(LGERS)					
Solid Waste	27,011	-	5,291	21,720	-
Caswell Div. Transportation	47,251	-	9,252	37,999	-
Total	74,262	-	14,543	59,719	-
Compensated Absence					
Solid Waste	10,484	11,933	10,484	11,933	2,983
Caswell Div. Transpiration	12,882	12,219	12,882	12,219	3,055
Total	23,366	24,152	23,366	24,152	6,038
Accrued post closure liability	77,625	-	9,876	67,749	-
Total Business-type activities	\$ 346,276	\$ 37,067	\$ 55,499	\$ 327,844	\$ 6,038

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

On June 30, 2018, Caswell County had a legal debt margin of \$130,779,625.

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

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The Caswell County landfill closed in 1994. The \$67,749 reported as accrued landfill closure liability at June 30, 2018 represents the latest estimate for costs remaining.

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

C. Interfund Balances and Activity

Transfers from /to other funds

From the School Capital Reverse Fund to the General Fund for school bond payments	\$ 710,850
From the Emergency Telephone System Fund for funding for project	55,565
From the General Fund to the School Capital Reverse Fund for restricted sales tax	978,690
From the General Fund to the Special Fire Department for volunteer fire departments rescue operations	573,819
From the General Fund to the Revaluation Fund for revaluation reserve and expense paid.	30,000
Total	<u>\$ 2,348,924</u>

Due from/to other funds

From the Scattered Site Fund to General Fund for central depository overdraft	\$ 1,367
From the Emergency Telephone Fund to General Fund for central depository overdraft	<u>5,437</u>
Total	<u>\$ 6,804</u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Net Capital assets	\$ 22,147,749	\$ 683,755
Capital debt calculation:		
Total debt, gross	7,657,639	-
Less:		
School debt for assets to which the county does not hold title	(625,000)	-
Add back:		
Unspent Loan Proceeds	<u>13,967</u>	<u>-</u>
Adjusted Debt	<u>7,046,606</u>	<u>-</u>
Net Investment in capital assets	<u>\$ 15,101,143</u>	<u>\$ 683,755</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

E. Fund Balance

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

Total Fund Balance - General Fund	\$ 7,018,071
Less:	
Nonspendable - prepaids	\$ 67,924
Stabilization by State Statute	1,686,275
Appropriated fund balance in 2019 budget	395,328
Register of Deeds	57,002
Tax Revaluation	128,291
Education	998,023
LEO Separation	33,816
Remaining Fund Balance	3,651,412

The County outstanding encumbrances of \$34,200 at June 30, 2018.

NOTE IV: Joint Ventures

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

NOTE V: Joint Governed Organization

Piedmont Triad Council of Governments

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

Person- Caswell Lake

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

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Joint Goverend Organization (continued)

Piedmont Community

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

Piedmont Triad Partnership

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

NOTE VI: Related Party Transactions

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

NOTE VII: Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 22,877,789	\$ 12,215,960
State Children's Insurance Program	359,453	146
Women, Infants, and Children (WIC)	266,535	-
Food and Nutrition Services	5,740,029	-
IV-E Adopt & Vendor & Gua	96,972	23,505
Family Perservation	8,887	-
TANF Payments and Penalties	97,941	-
CWS Adopt, Vendor, Guard	-	24,851
SAA/SAD HB 1030	-	14,586
SC/SA Domiciliary Care	-	232,481
Totals	<u>\$ 29,447,606</u>	<u>\$ 12,511,529</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE VIII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE IX: Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2018 and November 30, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. A School Board Referendum passed for additional bond funding not to exceed \$36.5 million. The Board anticipated issuing GO Bonds or receiving a USDA loan for \$18.5 million to fund this project, but this has not been finalized as of the report date.

NOTE X: Change in Accounting Principles/ Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pension, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by \$1,392,008 and \$87,860, respectively.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System
- Schedule of County Contributions for the Local Governmental Employees' Retirement System
- Schedule of County's Proportionate Share of the Net Pension Liability (Asset) for the Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions for the Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability (LEO)
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)
- Schedule of Changes in the Total OPEB Liability and Related Ratios

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

Local Government Employees' Retirement System					
	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.149%	0.133%	0.131%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$2,274,169	\$2,828,011	\$ 589,761	\$ (784,126)	\$ 1,685,126
County's covered-employee payroll	\$9,011,653	\$8,200,875	\$7,859,926	\$7,663,282	\$ 7,805,541
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.24%	34.48%	7.50%	-10.23%	21.59%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	102.64%

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

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

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

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

Local Government Employees' Retirement System					
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 701,348	\$ 672,660	\$ 560,597	\$ 556,303	\$ 544,352
Contributions in relation to the contractually required contribution	701,348	672,660	560,597	556,303	544,352
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 9,118,194	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282
Contributions as a percentage of covered-employee payroll	7.69%	7.46%	6.84%	7.08%	7.10%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.167%	0.174%	0.169%	0.170%	0.150%
County's proportionate share of the net pension liability (\$)	\$ (28,476)	\$ (32,441)	\$ (39,108)	\$ (38,487)	\$ (32,021)
County's covered-employee payroll	\$ 43,826	\$ 42,129	\$ 38,950	\$ 41,282	\$ 41,282
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-64.98%	-77.00%	-100.41%	-93.23%	-77.57%
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,650	\$ 3,225	\$ 2,856	\$ 2,753	\$ 1,386
Contributions in relation to contractually required contribution	<u>3,650</u>	<u>3,225</u>	<u>2,856</u>	<u>2,753</u>	<u>1,386</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 48,153	\$ 43,826	\$ 42,129	\$ 38,950	\$ 41,282
Contributions as a percentage of covered- employee payroll	7.58%	7.36%	6.78%	7.07%	3.36%

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

Caswell County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 707,495	\$ 683,438
Service Cost	39,068	35,387
Interest on the total pension liability	26,936	24,054
Changes of benefit terms	-	-
Differences between expected and actual experience in measurement of the total pension liability	58,788	-
Changes of assumptions or other inputs	50,704	(16,048)
Benefit payments	(19,336)	(19,336)
Other changes	-	-
Ending balance of the total pension liability	<u><u>\$ 863,655</u></u>	<u><u>\$ 707,495</u></u>

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

Caswell County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 863,655	\$ 707,495
Covered payroll	<u>1,576,149</u>	<u>1,388,436</u>
Total pension liability as a percentage of covered payroll	54.80%	50.96%

Notes to the schedules:

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

Caswell County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2018

Exhibit A-7

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 156,545
Interest	93,618
Changes of benefit terms	-
Differences between expected and actual experience	(2,529)
Changes of assumptions	(168,400)
Benefit payments	<u>(135,462)</u>
Net change in total OPEB liability	(56,228)
Total OPEB liability - beginning	<u>3,177,462</u>
Total OPEB liability - ending	<u><u>\$ 3,121,234</u></u>
 Covered payroll	 8,360,051
Total OPEB liability as a percentage of covered payroll	37.34%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

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.
- **Library Development Fund:** This fund is used to account for funds set aside for equipment and capital improvements at the library.

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Revenues				
Ad valorem Taxes				
Current year		\$ 12,092,735		\$ 10,870,790
Prior Year		280,160		303,489
Penalties and interest		153,587		129,239
Total	<u>\$ 12,700,388</u>	<u>12,526,482</u>	<u>\$ (173,906)</u>	<u>11,303,518</u>
Other Taxes and Licenses				
Sales Tax	3,206,946	3,337,941	130,995	3,011,311
Medicaid hold harmless	344,000	230,021	(113,979)	309,926
Privilege License	600	515	(85)	645
Cable television	14,500	15,446	946	14,798
Occupancy tax	-	1,117	1,117	-
Total	<u>3,566,046</u>	<u>3,585,040</u>	<u>18,994</u>	<u>3,336,680</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	94,225	92,971	(1,254)	96,734
Gasoline tax refund	1,000	-	(1,000)	-
Indirect costs	72,430	72,430	-	72,430
ABC Distribution	12,000	14,522	2,522	11,823
DWI State/Civil license revocation	2,500	1,485	(1,015)	1,614
Total	<u>182,155</u>	<u>181,408</u>	<u>(747)</u>	<u>182,601</u>
Restricted Intergovernmental Revenues				
Federal and state grants	4,860,297	4,661,106	(199,191)	4,687,850
School share of sales tax	824,980	805,097	(19,883)	807,869
Court facilities fees	49,000	47,834	(1,166)	57,123
ABC Board bottle tax	7,500	8,396	896	11,553
Sheriff-DEA Funds	15,012	999	(14,013)	5,122
EMS Medicaid Cost Settlement	80,000	72,812	(7,188)	-
School resource officer	82,432	82,432	-	82,432
Section 8	989,072	1,026,057	36,985	1,030,375
Total	<u>6,908,293</u>	<u>6,704,733</u>	<u>(203,560)</u>	<u>6,682,324</u>
Permits and Fees				
Subdivision fees	2,000	1,665	(335)	1,767
Building permits and inspection fees	115,000	111,170	(3,830)	82,486
Outdoor storage ordinance	550	650	100	450
Tax collections fees	10,626	10,668	42	10,672
Election fees	8,390	7,998	(392)	-
Register of Deeds	166,482	177,328	10,846	168,914
Concealed weapon permit	38,750	37,031	(1,719)	34,943
Impound fee	2,000	1,380	(620)	3,810
Civil case processing	29,000	24,464	(4,536)	24,718
Jail telephone fees	13,500	16,391	2,891	18,186
Animal control fees	150	525	375	7,361
Parks & Recreation fees	58,500	47,017	(11,483)	52,879
Farmer lake fees	13,200	7,103	(6,097)	6,247
Tax and map cards/GIS	2,200	1,714	(486)	1,960
4-H Activities	5,601	14,877	9,276	14,630
Cooperative Extension	17,103	9,845	(7,258)	9,795
Other	209,675	224,043	14,368	200,481
Total	<u>692,727</u>	<u>693,869</u>	<u>1,142</u>	<u>639,299</u>

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Sales and Services				
Rents, concessions and fees	46,426	46,816	390	47,451
Jail fees	12,592	12,641	49	6,823
Ambulance fees	10,000	35,222	25,222	26,561
EMS source collections	775,000	626,192	(148,808)	732,081
Health department fees	742,932	896,687	153,755	987,763
Senior fees	97,271	215,280	118,009	169,757
Library fees	9,339	8,261	(1,078)	12,686
Detention center fees	121,624	130,774	9,150	49,571
Guilford Mills reimbursement	15,000	14,142	(858)	20,069
Other	7,527	15,293	7,766	9,358
Total	1,837,711	2,001,308	163,597	2,062,120
Interest on investments	15,650	65,745	50,095	27,193
Miscellaneous				
Other	39,556	9,695	(49,251)	72,056
Total	39,556	9,695	(49,251)	72,056
Total Revenues	25,942,526	25,768,280	(193,636)	24,305,791
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	58,002	57,378	624	57,424
Other operating expenditures	17,180	9,090	8,090	10,594
Total	75,182	66,468	8,714	68,018
Administration				
Salaries and employee benefits	280,889	277,159	3,730	243,266
Other operating expenditures	68,990	69,867	(877)	79,988
Total	349,879	347,026	2,853	323,254
Board of Elections				
Salaries and employee benefits	78,408	81,678	(3,270)	76,040
Other operating expenditures	59,174	43,162	16,012	49,373
Capital Outlay	-	-	-	-
Total	137,582	124,840	12,742	125,413
Finance				
Salaries and employee benefits	243,191	225,448	17,743	206,837
Other operating expenditures	16,565	13,728	2,837	7,782
Capital Outlay	-	-	-	-
Total	259,756	239,176	20,580	214,619
Tax Office				
Salaries and employee benefits	264,659	243,119	21,540	252,393
Other operating expenditures	288,900	296,597	(7,697)	204,949
Capital Outlay	13,500	-	13,500	3,408
Total	567,059	539,716	27,343	460,750

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Register of Deeds				
Salaries	145,400	134,102	11,298	127,279
Other operating expenditures	79,267	72,775	6,492	65,129
Capital Outlay	6,000	160	5,840	740
Total	<u>230,667</u>	<u>207,037</u>	<u>23,630</u>	<u>193,148</u>
Court Facilities				
Other operating expenditures	49,480	53,276	(3,796)	49,184
Total	<u>49,480</u>	<u>53,276</u>	<u>(3,796)</u>	<u>49,184</u>
Public Facilities				
Salaries and employee benefits	235,301	233,340	1,961	203,403
Other operating expenditures	322,050	316,296	5,754	314,614
Capital Outlay	121,397	83,349	38,048	222,038
Total	<u>678,748</u>	<u>632,985</u>	<u>45,763</u>	<u>740,055</u>
Information Technology				
Salaries and employee benefits	62,456	62,662	(206)	54,154
Other operating expenditures	31,300	18,590	12,710	8,231
Capital Outlay	6,800	428	6,372	-
Total	<u>100,556</u>	<u>81,680</u>	<u>18,876</u>	<u>62,385</u>
Nondepartmental				
Health insurance-retirees	109,948	131,212	(21,264)	99,831
Unemployment insurance	15,000	14,319	681	10,310
Professional Services	194,737	188,679	6,058	91,638
Supplies	4,000	5,470	(1,470)	2,797
Maintenance and repairs	9,430	8,425	1,005	7,091
Advertising	1,500	1,617	(117)	748
Dues and subscription	26,745	16,154	10,591	27,762
Insurance bond	360,000	312,978	47,022	310,053
Customer Service Agreement	0	0	-	96,839
Wellness benefits/ activities	24,588	5,498	19,090	7,180
County Facility	1,000	559	441	1,009
Copier Rental Fee	11,433	7,370	4,063	9,794
Total	<u>758,381</u>	<u>692,281</u>	<u>66,100</u>	<u>665,052</u>
Total General Government	<u>3,207,290</u>	<u>2,984,485</u>	<u>222,805</u>	<u>2,901,878</u>
Public safety:				
Sheriff				
Salaries	2,062,257	2,002,557	59,700	1,968,902
Other operating expenditures	382,882	289,959	92,923	329,752
Capital Outlay	40,715	52,158	(11,443)	170,017
Total	<u>2,485,854</u>	<u>2,344,674</u>	<u>141,180</u>	<u>2,468,671</u>
Jail				
Salaries and employee benefits	947,671	955,944	(8,273)	855,790
Other operating expenditures	596,493	645,508	(49,015)	483,650
Total	<u>1,544,164</u>	<u>1,601,452</u>	<u>(57,288)</u>	<u>1,339,440</u>

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Management				
Salaries and employee benefits	7,484	28	7,456	66,724
Other operating expenditures	70,957	24,014	46,943	80,215
Capital Outlay	-	-	-	4,594
Total	78,441	24,042	54,399	151,533
911 communications				
Salaries and employee benefit	481,378	468,557	12,821	460,078
Other operating expenditures	43,516	55,674	(12,158)	41,737
Capital Outlay	-	-	-	-
Total	524,894	524,231	663	501,815
School resource officer				
Salaries and employee benefits	108,696	97,584	11,112	99,323
Other operating expenditures	8,440	4,659	3,781	4,175
Total	117,136	102,243	14,893	103,498
Inspections				
Salaries and employee benefit	123,786	123,313	473	87,142
Other operating expenditures	13,995	11,680	2,315	32,281
Total	137,781	134,993	2,788	119,423
Emergency medical services				
Salaries and employee benefits	1,531,376	1,525,037	6,339	1,502,328
Other operating expenditures	279,541	262,042	17,499	351,219
Capital outlay	-	6,000	(6,000)	131,917
Total	1,810,917	1,793,079	17,838	1,985,464
Coroner				
Professional services	7,200	6,800	400	9,534
Autopsy	21,500	21,000	500	1,750
Total	28,700	27,800	900	11,284
Total Public Safety	6,727,887	6,552,514	175,373	6,681,128
Environmental Protection				
Soil and water conservation service				
Salaries and employee benefits	98,652	98,388	264	94,464
Other operating expenditures	13,262	9,031	4,231	7,418
Total	111,914	107,419	4,495	101,882
Total Environmental Protection	111,914	107,419	4,495	101,882

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

Exhibit B-1
(continued)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Economic and Physical Development:				
Economic Development				
Other operating expenditures	175,149	151,100	24,049	158,125
Total	175,149	151,100	24,049	158,125
Extension Service				
Salaries and employee benefits	274,631	248,432	26,199	238,837
Other operating expenditures	51,105	43,020	8,085	38,255
Total	325,736	291,452	34,284	277,092
Planning Board				
Salaries and employee benefits	61,047	59,932	1,115	54,401
Other operating expenditures	8,475	8,667	(192)	9,928
Total	69,522	68,599	923	64,329
Total Economic and Physical Develop	570,407	511,151	59,256	499,546
Human services:				
Health				
Salaries and employee benefits	2,194,384	1,946,749	247,635	2,037,976
Other operating expenditures	647,334	550,101	97,233	525,678
Capital outlay	7,000	200	6,800	20,713
Total	2,848,718	2,497,050	351,668	2,584,367
Mental Health				
Alcohol rehabilitation	5,000	7,034	(2,034)	10,870
Alamance - Caswell Area Mental Health	92,197	71,606	20,591	115,061
Total	97,197	78,640	18,557	125,931
Animal control				
Salaries and employee benefits	83,171	83,293	(122)	81,334
Other operating expenditures	140,900	140,561	339	134,525
Total	224,071	223,854	217	215,859
Social Services Administration				
Salaries	2,440,553	2,360,308	80,245	2,222,438
Other operating expenditures	326,213	261,062	65,151	234,056
Capital outlay	92,018	78,192	13,826	97,882
Total	2,858,784	2,699,562	159,222	2,554,376
Purchased Services				
Day care services	110,587	28,590	81,997	435,595
Smart start-child daycare	12,055	7,931	4,124	111,811
State boarding home programs	50,324	46,840	3,484	69,711
E-funds	10,556	7,416	3,140	8,042
Total	183,522	90,777	92,745	625,159

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

Exhibit B-1
(continued)

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
JOBS				
Supportive Services	7,000	6,493	507	12,729
Total	7,000	6,493	507	12,729
 Aid to families with dependent children				
Program payments	151,680	147,916	3,764	134,289
 General Aid				
Program Payments	255,149	243,405	11,744	271,737
 Medical assistance				
Program payments	20,208	-	20,208	2,413
 Other count assistance				
Fuel emergencies	220,939	217,298	3,641	218,870
Total	220,939	217,298	3,641	218,870
 Section 8 Housing Authority				
Salaries and employee benefits	137,733	137,652	81	124,393
Other operating expenditures	28,410	16,494	11,916	22,254
Housing assistance payments	860,072	888,632	(28,560)	884,704
Total	1,026,215	1,042,778	(16,563)	1,031,351
 Nutrition program				
Salaries and employee benefits	227,231	223,058	4,173	208,157
Other operating expenditures	216,279	217,262	(983)	215,253
Capital Outlay	-	-	-	2,026
Total	443,510	440,320	3,190	425,436
 Senior Center				
Other operating expenditures	217,998	276,576	(58,578)	365,237
Total	217,998	276,576	(58,578)	365,237
 SHIP Grant				
Other operating expenditures	1,910	356	1,554	-
 DJJDP				
Salaries and employee benefit	95,252	94,711	541	81,147
Other operating expenditures	16,560	16,798	(238)	23,899
Capital Outlay	4,951	-	4,951	-
Total	116,763	111,509	5,254	105,046
 Family Services				
Salaries and employee benefits	120,611	138,652	(18,041)	124,613
Other operating expenditures	54,500	43,911	10,589	57,256
Total	175,111	182,563	(7,452)	181,869

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

Exhibit B-1
(continued)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Special appropriations				
Aging Program	276,000	287,428	(11,428)	240,653
Caswell Parish, INC	10,000	10,000	-	20,833
Cooperative Forestry	70,410	70,410	-	71,299
CCR&R partnership	3,000	3,000	-	3,000
Caswell Historical Society	2,500	2,500	-	2,500
Administration	1,000	1,000	-	22,064
Total	362,910	374,338	(11,428)	360,349
 Total Human Services	 9,211,685	 8,633,435	 578,250	 9,215,018
 Cultural and Recreational:				
Library				
Salaries and employee benefits	231,317	231,902	(585)	236,368
Other operating expenditures	73,047	58,924	14,123	86,298
Capital Outlay	-	-	-	-
Total	304,364	290,826	13,538	322,666
 Recreation				
Salaries and employee benefits	171,877	173,071	(1,194)	158,332
Other operating expenditures	105,057	106,667	(1,610)	118,381
Capital Outlay	8,400	-	8,400	-
Total	285,334	279,738	5,596	276,713
 Farmer Lake				
Salaries and employee benefits	48,918	49,197	(279)	40,985
Other operating expenditures	21,720	15,269	6,451	11,583
Capital Outlay	10,276	10,276	-	-
Total	80,914	74,742	6,172	52,568
 Other				
Art Council	2,500	2,500	-	2,500
 Total Cultural and Recreational	 673,112	 647,806	 25,306	 654,447
 Education:				
Public School				
Current Expense	2,600,000	2,600,000	-	2,600,000
Capital Outlay	465,000	465,000	-	465,000
Teacher Supplement	300,000	300,000	-	300,000
Piedmont Community College				
Current Expense	306,195	306,195	-	273,060
Capital Outlay	65,000	65,000	-	154,180
Total Education	3,791,195	3,791,195	-	3,792,240

Caswell County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2017

Exhibit B-1
(continued)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Debt service:				
Principal	1,301,318	1,273,996	27,322	1,268,545
Interest payments	227,645	254,048	(26,403)	319,698
Debt issuance cost	-	-	-	-
Total debt service	<u>1,528,963</u>	<u>1,528,044</u>	<u>919</u>	<u>1,588,243</u>
Total expenditures	<u>25,822,453</u>	<u>24,756,049</u>	<u>1,066,404</u>	<u>25,434,382</u>
Revenue over (under) expenditures	<u>120,073</u>	<u>1,012,231</u>	<u>892,158</u>	<u>(1,128,591)</u>
Other financing sources (uses):				
Loan Proceeds	-	-	-	160,205
Sale of Equipment	-	50,000	50,000	-
Transfers from other funds				
School Capital reserve fund	710,850	710,850	-	722,600
Emergency telephone system fund	55,565	55,565	-	55,565
Water Capital Project	-	-	-	206
Senior Center Project	-	-	-	16,973
Total	<u>766,415</u>	<u>766,415</u>	<u>-</u>	<u>795,344</u>
Transfers to other funds				
School capital reserve fund	(824,980)	(978,690)	(153,710)	(807,868)
Special fire districts fund	(573,819)	(573,819)	-	(574,004)
Detention Center Project	-	-	-	(22,294)
County Building Fund	-	-	-	(5,922)
School Project Fund	-	-	-	(426)
Revaluation fund	(30,000)	(30,000)	-	(30,000)
Total	<u>(1,428,799)</u>	<u>(1,582,509)</u>	<u>(153,710)</u>	<u>(1,440,514)</u>
Appropriated fund balance	<u>542,311</u>	<u>-</u>	<u>(542,311)</u>	<u>-</u>
Total other financing sources (uses)	<u>(120,073)</u>	<u>(766,094)</u>	<u>(646,021)</u>	<u>(484,965)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>246,137</u>	<u>\$ 246,137</u>	<u>(1,613,556)</u>
Fund balance- July 1		5,645,621		7,259,177
Restatement of fund balance (see Note X)		<u>-</u>		<u>-</u>
Fund balance- June 30		<u>\$ 5,891,758</u>		<u>\$ 5,645,621</u>

Caswell County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ 300	\$ 576	\$ 276	\$ 173
Total revenues	300	576	276	173
Expenditures:				
General government				
Revaluation of tax base	30,300	-	30,300	-
Revenues over (under) expenditures	(30,000)	576	30,576	173
<u>Other financing sources</u>				
Appropriated Fund Balance	-	-	-	-
Transfers from other funds				
General Fund	30,000	30,000	-	30,000
Emergency Telephone Fund	-	-	-	-
Total	30,000	30,000	-	30,000
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	30,576	\$ 30,576	30,173
Fund balance, beginning		97,714		67,541
Fund balance, ending		\$ 128,290		\$ 97,714

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, 2018
With Comparative Actual Amounts For The Year Ended June 30, 2017

	2018			2017
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<u>REVENUES</u>				
Interest on Investments	\$ 2,000	\$ 5,533	\$ 3,533	\$ 2,292
<u>EXPENDITURES</u>				
Reserve	116,130	-	116,130	-
Education	-	-	-	-
Total Expenditures	116,130	-	116,130	-
Revenues Over (Under) Expenditures	(114,130)	5,533	119,663	2,292
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	824,980	978,690	(153,710)	807,869
Transfers to other funds				
General Fund	(710,850)	(710,850)	-	(722,600)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	114,130	267,840	(153,710)	85,269
Revenues and other sources over (under) expenditures and other uses	\$ -	273,373	\$ (34,047)	87,561
<u>FUND BALANCE</u>				
Beginning of year- July 1		724,650		637,089
End of year- June 30		\$ 998,023		\$ 724,650

Caswell County, North Carolina
Library Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
Revenues:					
Golden Leaf Foundation	\$ 700,200	\$ -	\$ -	\$ -	\$ (700,200)
Danville Regional Foundation	455,000	-	455,000	455,000	-
Cannon Grant	50,000	-	75,000	75,000	25,000
Other Contributions	2,021	-	-	-	(2,021)
Investment earnings	-	40	108	148	148
Total Revenue	<u>1,207,221</u>	<u>40</u>	<u>530,108</u>	<u>530,148</u>	<u>(677,073)</u>
Expenditures:					
Cultural and Recreational					
Admin and Engineering	140,457	9,168	151,217	160,385	(19,928)
Building Renovation	496,020	-	-	-	496,020
New Construction	1,243,324	-	886,081	886,081	357,243
Fixtures and Equipment	115,246	-	4,405	4,405	110,841
Parking Lot	144,000	-	-	-	144,000
Contingency	75,334	-	-	-	75,334
Total	<u>2,214,381</u>	<u>9,168</u>	<u>1,041,703</u>	<u>1,050,871</u>	<u>1,163,510</u>
Revenues over (under) expenditures	<u>(1,007,160)</u>	<u>(9,128)</u>	<u>(511,595)</u>	<u>(520,723)</u>	<u>486,437</u>
Other Financing Sources (Uses)					
Loan proceeds	995,000	-	360,000	360,000	(635,000)
Transfer from other funds	<u>12,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,160)</u>
Total other financing sources	<u>1,007,160</u>	<u>-</u>	<u>360,000</u>	<u>360,000</u>	<u>(647,160)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (9,128)</u>	<u>(151,595)</u>	<u>\$ (160,723)</u>	<u>\$ (160,723)</u>
Fund balance, beginning			<u>13,881</u>		
Fund balance, ending			<u>\$ (137,714)</u>		

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.

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

Capital Projects Funds

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

- **Scattered Site Fund:** This fund is used to account for revenues and expenditures to rehabilitate substandard rural housing.
- **County Building Fund:** This fund is used to account for funds set aside for county buildings.
- **Equipment and Automation Fund:** This fund is used to account for funds set aside for equipment.
- **School Capital Projects Fund:** This fund is used to account for funds set aside for capital projects for Caswell County Schools.
- **Courthouse HVAC Project Fund:** This fund is used to account for the HVAC replacement project at the Courthouse.

Caswell County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2018

	Special Revenue Funds				Capital Project Funds					
	Special Fire District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Scattered Site Fund	County Building Fund	Equipment and Automation Fund	School Capital Projects Fund	Courthouse HVAC Project Fund	Total
ASSETS										
Current Assets:										
Cash and cash equivalents	\$ 37,095	\$ -	\$ 9,735	\$ 123,225	\$ -	\$ -	\$ 37,068	\$ -	\$ -	\$ 207,123
Cash and cash equivalents - restricted		-	-	-	-	-	-	-	13,967	13,967
Taxes receivable	82,342	-	-	-	-	-	-	-	-	82,342
Accounts receivable	32,483	22,250	-	-	-	-	-	-	-	54,733
Total assets	<u>\$ 151,920</u>	<u>\$ 22,250</u>	<u>\$ 9,735</u>	<u>\$ 123,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,068</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 358,165</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 641	\$ 1,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,716
Due to other funds		5,437	-	-	1,367	-	-	-	-	6,804
Total liabilities	<u>641</u>	<u>6,512</u>	<u>-</u>	<u>-</u>	<u>1,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,520</u>
DEFERRED INFLOWS OF RESOURCES	<u>82,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,342</u>
Fund balances:										
Restricted:										
Stabilization by State Statute	32,483	22,250	-	-	-	-	-	-	-	54,733
Public Safety	36,454	-	-	-	-	-	-	-	-	36,454
Economic Development		-	9,735	-	-	-	-	-	13,967	23,702
Human Services		-	-	-	-	-	-	-	-	-
Unassigned	-	(6,512)	-	-	(1,367)	-	-	-	-	(7,879)
Total fund balances	<u>68,937</u>	<u>15,738</u>	<u>9,735</u>	<u>123,225</u>	<u>(1,367)</u>	<u>-</u>	<u>37,068</u>	<u>-</u>	<u>13,967</u>	<u>267,303</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 151,920</u>	<u>\$ 22,250</u>	<u>\$ 9,735</u>	<u>\$ 123,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,068</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 358,165</u>

Caswell County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds				Capital Project Funds					
	Special Fire Tax District	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Scattered Site Fund	County Building Fund	Equipment and Automation Fund	School Capital Projects Fund	Courthouse HVAC Project Fund	Total
REVENUES										
Ad Valorem Taxes	\$ 372,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,258
Other Taxes and License	6,054	-	-	-	-	-	-	-	-	6,054
Restricted intergovernmental	-	449,667	4,200	-	170,851	-	-	-	-	624,718
Investment earnings	-	1,008	-	47	-	-	128	-	-	1,183
Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>378,312</u>	<u>450,675</u>	<u>4,200</u>	<u>47</u>	<u>170,851</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>-</u>	<u>1,004,213</u>
EXPENDITURES										
Public Safety	879,383	446,469	-	-	-	-	-	-	-	1,325,852
Economic Development	-	-	20,000	-	170,851	-	-	-	-	190,851
Cultural and Recreational	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>879,383</u>	<u>446,469</u>	<u>20,000</u>	<u>-</u>	<u>170,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,516,703</u>
Revenues over (under) Expenditures	<u>(501,071)</u>	<u>4,206</u>	<u>(15,800)</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>-</u>	<u>(512,490)</u>
OTHER FINANCING SOURCES (USES)										
Transfers-out										
General Fund	573,819	(55,565)	-	-	-	-	-	-	-	518,254
Loan proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>573,819</u>	<u>(55,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>518,254</u>
Change in Fund Balances	72,748	(51,359)	(15,800)	47	-	-	128	-	-	5,764
Fund Balance- July 1	<u>(3,811)</u>	<u>67,097</u>	<u>25,535</u>	<u>123,178</u>	<u>(1,367)</u>	<u>-</u>	<u>36,940</u>	<u>-</u>	<u>13,967</u>	<u>261,539</u>
Fund Balance- June 30	<u>\$ 68,937</u>	<u>\$ 15,738</u>	<u>\$ 9,735</u>	<u>\$ 123,225</u>	<u>\$ (1,367)</u>	<u>\$ -</u>	<u>\$ 37,068</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 267,303</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, 2018
With Comparative Actual Amounts For The Year Ended June 30, 2017

	2018			2017
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 434,600	\$ 372,258	\$ 67,180	\$ 365,545
Other taxes				
Sales taxes	4,500	6,054	1,034	5,313
Total	<u>439,100</u>	<u>378,312</u>	<u>68,214</u>	<u>370,858</u>
<u>EXPENDITURES</u>				
Public Safety				
Sales tax distribution	4,500	6,053	-	6,806
Caswell Fire District	36,299	42,826	-	22,285
Travel	1,500	1,500	-	3,000
Aid to volunteer fire departments	792,319	792,319	-	792,504
Rescue operations	30,000	30,000	-	30,000
Fire tax balance	148,301	6,685	-	94,729
Total Expenditures	<u>1,012,919</u>	<u>879,383</u>	<u>-</u>	<u>949,324</u>
Revenues Over (Under) Expenditures	(573,819)	(501,071)	68,214	(578,466)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	573,819	573,819	-	574,004
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>573,819</u>	<u>573,819</u>	<u>-</u>	<u>574,004</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	72,748	<u>\$ 68,214</u>	(4,462)
Beginning of year- July 1		<u>(3,811)</u>		<u>651</u>
End of year- June 30		<u>\$ 68,937</u>		<u>\$ (3,811)</u>

Caswell County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Year ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental revenues:				
PSAP Funds	\$ 266,998	\$ 449,667	\$ 182,669	\$ 254,589
Investment earnings	300	1,008	708	376
Total Revenues	<u>267,298</u>	<u>450,675</u>	<u>183,377</u>	<u>254,965</u>
<u>EXPENDITURES</u>				
Public Safety:				
Salaries	84,569	97,290	(12,721)	77,587
Telephone	19,175	21,657	(2,482)	19,053
Maintenance and repairs	57,150	35,369	21,781	24,566
Small tools/ equipment	28,120	42,679	(14,559)	36,665
Other expenses	75,181	28,921	46,260	14,871
Capital Outlay	<u>189,498</u>	<u>220,553</u>	<u>(31,055)</u>	<u>187,921</u>
Total	<u>453,693</u>	<u>446,469</u>	<u>7,224</u>	<u>360,663</u>
Total Expenditures	<u>453,693</u>	<u>446,469</u>	<u>7,224</u>	<u>360,663</u>
Revenues over (under) expenditures	<u>(186,395)</u>	<u>4,206</u>	<u>190,601</u>	<u>(105,698)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Fund balance appropriated	241,960	-	(241,960)	-
Transfers from other funds				
General Fund	-	-	-	-
Transfers to other funds				
General Fund	<u>(55,565)</u>	<u>(55,565)</u>	<u>-</u>	<u>(55,565)</u>
Total Other Financing Sources (uses)	<u>186,395</u>	<u>(55,565)</u>	<u>(241,960)</u>	<u>(55,565)</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures	<u>\$ -</u>	<u>(51,359)</u>	<u>\$ (51,359)</u>	<u>(161,263)</u>
Fund balance, beginning		<u>67,097</u>		<u>228,360</u>
Fund balance, ending		<u>\$ 15,738</u>		<u>\$ 67,097</u>

Caswell County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
Explanation for transfers				
Transfers to adjust beginning balance to actual		\$ -		\$ -
Transfer to repay General Fund for expense paid		\$ (55,565)		\$ (55,565)

Emergency Telephone System Unspent Balance

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

Net Change in Fund Balance, reported on Budget to Actual	\$ (51,359)
Plus: Transfers from General Fund to adjust fund balance to the proper beginning balance	
Less: Accrual Differences	(1,167)
Plus: Grant Expenditure - Capital Outlay	220,553
Net Change per PSAP Revenue- Expenditure Report	168,027
Beginning Balance, PSAP Revenue- Expenditure Report	253,751
Ending Balance, PSAP Revenue- Expenditure Report	\$ 421,778

Caswell County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental revenues:				
USDA Rural Development Business Grant	\$ 150,000	\$ -	\$ (150,000)	\$ -
Loan Repayment	-	4,200	4,200	4,100
Miscellaneous income	-	-	-	-
Total Revenues	150,000	4,200	(145,800)	4,100
<u>EXPENDITURES</u>				
Economic Development	150,000	20,000	130,000	-
Revenues over (under) expenditures	-	(15,800)	(15,800)	4,100
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	(15,800)	\$ (15,800)	4,100
FUND BALANCE				
Fund balance, beginning- July 1		25,535		21,435
Fund balance, ending - June 30		\$ 9,735		\$ 25,535

Caswell County, North Carolina
Special Grant Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	47	47	19
Miscellaneous income	-	-	-	-
Total Revenues	-	47	47	19
<u>EXPENDITURES</u>				
General Government	-	-	-	1,975
Total expenditures				
Revenues over (under) expenditures	-	47	47	(1,956)
<u>OTHER FINANCING SOURCES (USES)</u>				
Total Other Financing Sources (uses)				
Water and Sewer Fund	-	-	-	-
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and other uses	\$ -	47	\$ 47	(1,956)
Fund balance, beginning- July 1		123,178		125,134
Fund balance, ending - June 30		\$ 123,225		\$ 123,178

Caswell County, North Carolina
Scattered Site Fund
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Community Development Block Grant					
2011 Scattered Site	\$ 400,000	\$ 292,078	\$ -	\$ 292,078	\$ (107,922)
2010 Single Family Rehab	200,000	244,187	-	244,187	44,187
2013 Single Family Rehab	170,000	99,620	-	99,620	(70,380)
2016 Single Family Rehab	175,000	-	170,851	170,851	(4,149)
Investment earnings	-	102	-	102	102
Total Revenue	945,000	635,987	170,851	806,838	(138,162)
<u>EXPENDITURES</u>					
Economic and physical development					
Community development block grant					
2011 Scattered site					
Administration		19,854	-	19,854	
Rehabilitation		272,500	-	272,500	
Total	400,000	292,354	-	292,354	107,646
SFR					
Administration		38,357	-	38,357	
Rehabilitation		207,503	-	207,503	
Total	200,000	245,860	-	245,860	(45,860)
2013 Single Family Rehab					
Administration		1,700	-	1,700	
Rehabilitation		97,922	-	97,922	
Total	170,000	99,622	-	99,622	70,378
2016 Single Family Rehab					
Administration		-	46,475	46,475	
Rehabilitation		-	124,376	124,376	
Total	175,000	-	170,851	170,851	4,149
Total Expenditures	945,000	637,836	170,851	808,687	136,313
Revenues over (under) expenditures	\$ -	\$ (1,849)	-	\$ (1,849)	\$ (1,849)
Fund balance, beginning			(1,367)		
Fund balance, ending			\$ (1,367)		

Caswell County, North Carolina
County Building Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investments on earning	\$ -	\$ -	\$ -	\$ -
Sales and service	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
<u>EXPENDITURES</u>				
Capital Outlay				
County Buildings	-	-	-	-
Revenues over (under) over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer from other funds				
General Fund	-	-	-	5,922
Total other financing sources	-	-	-	5,922
Revenues and other financing sources (uses) over expenditures	\$ -	-	\$ (322)	5,922
Fund balance, beginning -July 1		-		(5,922)
Fund balance, ending- June 30		\$ -		\$ -

Caswell County, North Carolina
Equipment and Automotive Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For the Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on investments	\$ -	\$ 128	\$ 128	\$ 48
<u>EXPENDITURES</u>				
General government				
Equipment	-	-	-	-
Revenues over (under) expenditures	-	128	128	48
<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	<u>\$ -</u>	128	<u>\$ -</u>	\$ 48
Fund balance, beginning		<u>36,940</u>		<u>36,892</u>
Fund balance, ending		<u>\$ 37,068</u>		<u>\$ 36,940</u>

Caswell County, North Carolina
School Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Amounts For The Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental				
Public School Building Capital Fund	\$ -	\$ -	\$ -	\$ 382,263
<u>EXPENDITURES</u>				
Education	-	-	-	382,263
Revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Transfer from other funds				
General Fund	-	-	-	426
Total Other Financing Sources (uses)	-	-	-	426
Revenues and other sources				
over (under) expenditures and other uses	<u>\$ -</u>	-	<u>\$ -</u>	426
Fund balance, beginning -July 1		-		(426)
Fund balance, ending- June 30		<u>\$ -</u>		<u>\$ -</u>

Caswell County, North Carolina
Courthouse HVAC Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2018

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

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 and services to the general public on a continuing basis be financed or recovered primarily through user charges, where the government’s council has decided that the periodic determination of net income is appropriate for the accountability purposes.

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

Caswell County, North Carolina
Solid Waste Management Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018
With Comparative Amounts For The Year Ended June 30, 2017

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Tire disposal tax		\$ 31,640		\$ 31,605
White goods disposal		2,159		7,282
Solid waste disposal tax		17,782		18,898
Charges for service - user fees		406,908		587,047
Tipping fees		118,535		91,925
Recycling		16,815		13,598
Interest on interfund loan		-		-
Interest on investments		1,139		428
Miscellaneous Revenue		278		1,883
Total Revenues	\$ 708,699	595,256	\$ (113,443)	752,666
EXPENDITURES				
Operations				
Salaries		142,603		126,650
Other expenses		771,837		694,324
Capital Outlay		161,424		21,349
Total expenditures	1,226,576	1,075,864	150,712	842,323
Revenues over (under) expenditures	(517,877)	(480,608)	37,269	(89,657)
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	517,877	-	(517,877)	-
Gain (loss) on sale of capital assets	-	-	-	-
Total other financing sources (uses)	517,877	-	(517,877)	-
Revenues over (under) sources and other uses	\$ -	\$ (480,608)	\$ (480,608)	\$ (89,657)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures		\$ (480,608)		\$ (89,657)
Depreciation		(51,119)		(40,052)
Capital Outlay		157,805		-
Change in deferred outflows of resources - pensions		6,588		18,522
Change in deferred outflows of resources - OPEB		(4,298)		
Change in net pension liability		(5,291)		(21,378)
Change in net OPEB liability		2,492		(3,077)
Change in deferred inflows of resources - pensions		(462)		2,066
Change in deferred inflows of resources - OPEB		4,703		
Change in accrued vacation payable		1,449		(1,603)
Net income (loss)		\$ (368,741)		\$ (135,179)

Caswell County, North Carolina
Caswell Department of Transportation Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018
With Comparative Amounts For The Year Ended June 30, 2017

	2018		Variance	2017
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Changes for service- user fees	\$ 430,627	\$ 458,609	\$ 27,982	\$ 525,151
Interest on investment	200	769	569	221
Miscellaneous	1,500	-	(1,500)	-
Total Revenues	<u>432,327</u>	<u>459,378</u>	<u>27,051</u>	<u>525,372</u>
EXPENDITURES				
Administration				
Salaries	81,089	82,103	(1,014)	63,203
Other expenses	84,287	76,770	7,517	75,133
Total	<u>165,376</u>	<u>158,873</u>	<u>6,503</u>	<u>138,336</u>
Operations				
Salaries	201,715	167,883	33,832	192,075
Other expenses	107,445	77,860	29,585	66,112
Capital outlay	-	-	-	54,571
Total	<u>309,160</u>	<u>245,743</u>	<u>63,417</u>	<u>312,758</u>
Total expenditures	<u>474,536</u>	<u>404,616</u>	<u>69,920</u>	<u>451,094</u>
Revenues over (under) expenditures	<u>(42,209)</u>	<u>54,762</u>	<u>96,971</u>	<u>74,278</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	36,209	-	(36,209)	-
Sale of capital assets	6,000	8,348	2,348	7,134
Total other financing sources (uses)	<u>42,209</u>	<u>8,348</u>	<u>(33,861)</u>	<u>7,134</u>
Revenues over (under) sources and other uses	<u>\$ -</u>	<u>\$ 63,110</u>	<u>\$ 63,110</u>	<u>\$ 81,412</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL				
Excess of revenues over (under) expenditures	\$ 63,110			\$ 81,412
Capital Outlay	-			54,571
Depreciation	(47,549)			(73,565)
Change in deferred outflows of resources - pensions	11,521			32,402
Change in deferred outflows of resources - OPEB	(3,416)			-
Change in net pension liability	(9,252)			(37,397)
Change in net OPEB liability	1,981			(3,596)
Change in deferred inflows of resources - pensions	(807)			3,615
Change in deferred inflows of resources - OPEB	3,738			-
Change in accrued vacation payable	(664)			(523)
Net income (loss)	<u>\$ 18,662</u>			<u>\$ 56,919</u>

AGENCY FUNDS

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

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

Caswell County, North Carolina
Agency Fund
Combining Statement of Net Assets
June 30, 2018

	Agency Fund				Total
	Social Service Fund	Drug Fund	Fines and Forfeitures & DMV Interest Fund	Property Tax Fund	June 30, 2018
ASSETS					
Cash	\$ 30,185	\$ 10,040	\$ -	\$ (9,831)	\$ 30,394
Accounts receivable	-	-	2,596	-	2,596
Total Assets	\$ 30,185	\$ 10,040	\$ 2,596	\$ (9,831)	\$ 32,990
LIABILITIES AND NET POSITION					
Liabilities:					
Miscellaneous liabilities	\$ 30,185	\$ 10,040	\$ 2,596	\$ (9,831)	\$ 32,990
Total Liabilities	\$ 30,185	\$ 10,040	\$ 2,596	\$ (9,831)	\$ 32,990
Net Position					
Assets held in trust for beneficiary benef	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 30,185	\$ 10,040	\$ 2,596	\$ (9,831)	\$ 32,990

Caswell County, North Carolina
Combining Statement of Changes in Fiduciary Net Assets
Agency Funds
For Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Social Service Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 20,491	\$ 226,125	\$ 216,431	\$ 30,185
Liabilities				
Accounts Payable	\$ 20,491	\$ 226,125	\$ 216,431	\$ 30,185
<u>Drug Fund</u>				
Assets				
Cash and cash equivalents	\$ 10,038	\$ 2	\$ -	\$ 10,040
Liabilities				
Miscellaneous Liabilities	\$ 10,038	\$ 2	\$ -	\$ 10,040
<u>Fines and Forfeitures and Floodplain Mapping Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	24,280	75,083	96,767	2,596
Total	\$ 24,280	\$ 75,083	\$ 96,767	\$ 2,596
Liabilities				
Fines for Forfeitures due to others	\$ 23,207	\$ 61,178	\$ 81,790	\$ 2,595
Floodplain mapping fees due to others	590	7,741	8,161	170
ROD deed of trust fees due to others	215	2,645	3,029	(169)
Archives/Cultural fees due to others	268	3,519	3,787	-
Total	\$ 24,280	\$ 75,083	\$ 96,767	\$ 2,596
<u>Property Tax Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ (11,373)	\$ 378,848	\$ 377,306	\$ (9,831)
Liabilities				
Intergovernmental payable	\$ (11,373)	\$ 378,848	\$ 377,306	\$ (9,831)
<u>Total- All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 19,156	\$ 604,975	\$ 593,737	\$ 30,394
Accounts Receivable	24,280	75,083	96,767	2,596
Total Assets	\$ 43,436	\$ 680,058	\$ 690,504	\$ 32,990
Liabilities				
Accounts payable	\$ 30,529	\$ 226,127	\$ 216,431	\$ 40,225
Intergovernmental Payable	12,907	453,931	474,073	(7,235)
Total Liabilities	\$ 43,436	\$ 680,058	\$ 690,504	\$ 32,990

OTHER SCHEDULES

This schedule contains additional information required on property taxes.

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

Caswell County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2018

Exhibit F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2018	\$ -	\$ 12,269,473	\$ 12,092,735	\$ 176,738
2017	161,207	9,048	80,704	89,551
2016	94,621	8,491	42,304	60,808
2015	85,027	7,183	33,097	59,113
2014	85,477	1,551	19,826	67,202
2013	76,983	-	15,217	61,766
2012	62,825	-	15,339	47,486
2011	56,911	-	10,551	46,360
2010	40,600	-	5,166	35,434
2009	38,162	-	2,447	35,715
2008	39,904	-	39,904	-
Totals	\$ <u>741,717</u>	\$ <u>12,295,746</u>	\$ <u>12,357,290</u>	\$ <u>680,173</u>
Less Allowance for Doubtful Accounts				<u>(412,000)</u>
Taxes Receivable (Net)				\$ <u>268,173</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund		\$ 12,526,482		
Interest /penalties/adjustments		<u>(132,430)</u>		
				\$ 12,394,052
Amounts written off for tax year 2007-2008 per statute of limitations				<u>(36,762)</u>
Total Collections and Credits				\$ <u>12,357,290</u>

Caswell County
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2018

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy County- Wide	<u>\$ 1,730,032,299</u>	0.709	<u>\$ 12,265,929</u>	<u>\$ 11,011,621</u>	<u>\$ 1,254,308</u>
Discoveries and Abatements	<u>499,859</u>	0.709	<u>3,544</u>	<u>3,544</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,730,532,158</u></u>				
Net Levy			12,269,473	11,015,165	1,254,308
Uncollected taxes June 30, 2018			<u>176,738</u>	<u>176,738</u>	<u>-</u>
Current years taxes collected			<u><u>\$ 12,092,735</u></u>	<u><u>\$ 10,838,427</u></u>	<u><u>\$ 1,254,308</u></u>
Current levy collection percentage			<u><u>98.56%</u></u>	<u><u>98.40%</u></u>	<u><u>100.00%</u></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 sources, the property tax.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

TABLE 1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,410,816	\$ 12,739,104	\$ 13,347,778	\$ 10,089,638	\$ 14,660,932	\$ 15,272,072	\$ 14,934,637	\$ 13,399,966	\$ 14,471,590	\$ 15,101,143
Restricted	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907	2,633,767	3,016,482
Unrestricted	4,248,895	5,143,018	3,132,651	4,134,622	2,737,716	2,594,371	2,003,197	2,444,131	403,133	(1,103,868)
Total governmental activities net assets:	<u>16,659,711</u>	<u>17,909,203</u>	<u>19,232,451</u>	<u>20,927,756</u>	<u>20,777,708</u>	<u>20,667,741</u>	<u>20,053,860</u>	<u>19,464,004</u>	<u>17,508,490</u>	<u>17,013,757</u>
Business-type activities										
Invested in capital assets, Net of related debt	342,495	289,050	363,093	497,458	549,559	618,427	790,029	699,530	624,618	683,755
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,327,084	1,448,996	1,409,580	1,235,478	1,261,232	1,140,117	945,764	1,164,160	1,161,499	664,423
Total business-type activities net assets:	<u>1,669,579</u>	<u>1,738,046</u>	<u>1,772,673</u>	<u>1,732,936</u>	<u>1,810,791</u>	<u>1,758,544</u>	<u>1,735,793</u>	<u>1,863,690</u>	<u>1,786,117</u>	<u>1,348,178</u>
Primary government										
Invested in capital assets, net of related debt	12,753,311	13,028,154	13,710,871	10,587,096	15,210,491	15,890,499	15,724,666	14,099,496	15,096,208	15,784,898
Restricted	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907	2,633,767	3,016,482
Unrestricted	5,575,979	6,592,014	4,542,231	5,370,100	3,998,948	3,734,488	2,948,961	3,608,291	1,564,632	(439,445)
Total primary government net assets:	<u>\$ 18,329,290</u>	<u>\$ 19,647,249</u>	<u>\$ 21,005,124</u>	<u>\$ 22,660,692</u>	<u>\$ 22,588,499</u>	<u>\$ 22,426,285</u>	<u>\$ 21,789,653</u>	<u>\$ 21,327,694</u>	<u>\$ 19,294,607</u>	<u>\$ 18,361,935</u>

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

Expenses	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	\$ 2,750,326	\$ 2,369,681	\$ 2,605,238	\$ 2,558,821	\$ 2,776,985	\$ 2,898,539	\$ 2,813,150	\$ 3,062,487	\$ 2,910,099	\$ 3,158,690
Public safety	5,167,360	5,337,280	5,226,796	5,421,247	5,895,526	6,364,755	7,244,842	7,153,742	8,598,810	8,671,161
Economic development	662,332	719,660	444,511	473,281	551,766	831,474	420,330	489,906	560,353	777,188
Environmental Protection	76,770	106,290	92,111	83,539	85,682	85,876	83,689	92,390	106,459	110,309
Transportation	2,236	-	-	-	-	-	-	-	-	-
Human Services	9,553,228	9,004,764	8,989,125	9,327,818	9,031,116	9,236,361	8,832,869	8,552,167	9,395,883	8,820,823
Cultural and recreation	675,516	662,422	689,813	577,194	677,478	789,275	727,816	695,974	795,874	825,686
Education	3,592,260	3,544,945	3,169,626	3,018,673	3,048,723	3,056,549	3,277,785	3,368,855	4,174,503	3,791,195
Interest on long-term debt	239,484	200,573	110,621	314,061	531,384	148,815	308,194	314,513	293,437	241,311
Total governmental activities expenses	22,719,512	21,945,615	21,327,841	21,774,634	22,598,660	23,411,644	23,708,675	23,730,034	26,835,418	26,396,363
Business-type activities										
Solid Waste	807,436	789,064	826,414	834,262	817,753	881,886	844,273	851,066	887,158	963,997
Transportation	401,871	394,927	430,931	403,303	459,391	459,614	473,197	455,083	475,587	449,064
Total business-type activities	1,209,307	1,183,991	1,257,345	1,237,565	1,277,144	1,341,500	1,317,470	1,306,149	1,362,745	1,413,061
Total primary government expenses	23,928,819	23,129,606	22,585,186	23,012,199	23,875,804	24,753,144	25,026,145	25,036,183	28,198,163	27,809,424
Program Revenues										
Governmental activities:										
Charges for services:										
General government	252,292	243,523	197,907	277,159	225,038	242,258	231,546	505,440	331,023	341,523
Public Safety	1,380,862	1,274,872	1,272,583	924,296	1,183,729	985,080	1,598,840	1,181,754	1,149,681	1,222,157
Transportation	-	-	-	-	-	-	22,553	-	-	-
Economic and Physical Development	19,215	23,170	10,066	20,721	25,086	16,409	16,094	31,980	26,000	28,922
Environmental Protection	-	-	-	-	-	-	69,117	-	-	-
Human Services	1,395,632	1,612,554	1,372,572	1,319,114	1,165,352	1,301,949	1,074,538	882,500	1,333,946	1,615,059
Cultural and recreation	70,005	88,032	70,393	75,779	68,864	69,643	78,807	71,747	74,368	65,756
Education	82,432	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General government	15,518	42	8,721	4,789	3,750	1,250	7,794	-	-	-
Public Safety	522,855	363,782	500,924	444,248	339,088	470,173	689,838	1,021,213	868,985	1,027,920
Environmental Protection	-	-	-	-	-	-	-	24,557	24,658	24,478
Economic and Physical Development	19,041	93,579	19,918	25,109	22,058	92,927	20,959	148,852	61,815	318,554
Human Services	5,781,256	5,750,578	5,876,146	6,037,956	5,777,624	5,309,671	5,399,652	5,099,853	4,798,082	4,450,708
Transportation	-	-	-	-	-	-	-	122,916	123,592	123,503
Cultural and recreation	127,377	124,699	150,545	135,628	132,199	116,508	142,574	158,459	116,458	87,352
Education	-	82,432	164,864	82,432	82,432	82,432	-	-	-	-
Capital grants and contributions										
General government	8,325	-	-	-	-	-	-	-	-	-
Public Safety	29,800	-	-	-	-	-	82,611	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	595,190	857,756	153,822	773,919	253,429	529,754	483,591	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	530,000
Education	-	291,323	-	-	-	-	-	103,662	382,263	-
Total governmental activities program revenue	10,299,800	10,806,342	9,798,461	10,121,150	9,278,649	9,218,054	9,918,514	9,352,933	9,290,871	9,835,932

(continued)

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

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities										
Charges for services:										
Solid Waste	812,476	835,368	846,978	845,324	837,362	830,230	852,312	872,816	692,570	542,258
CDOT	388,635	340,729	382,325	393,643	449,817	414,671	532,253	507,638	532,285	466,957
Operating grants and contributions										
Solid Waste	43,979	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	1,245,090	1,176,097	1,229,303	1,238,967	1,287,179	1,244,901	1,384,565	1,380,454	1,224,855	1,009,215
Total primary government program revenues	11,544,890	11,982,439	11,027,764	11,360,117	10,565,828	10,462,955	11,303,079	10,733,387	10,515,726	10,845,147
Net (expenses)/revenue										
Governmental activities	(12,419,712)	(11,139,273)	(11,529,380)	(11,653,484)	(13,320,011)	(14,193,590)	(13,790,161)	(14,377,101)	(17,544,547)	(16,560,431)
Business-type activities	35,783	(7,894)	(28,042)	1,402	10,035	(96,599)	67,095	74,305	(137,890)	(403,846)
Total primary government net expenses	(12,383,929)	(11,147,167)	(11,557,422)	(11,652,082)	(13,309,976)	(14,290,189)	(13,723,066)	(14,302,796)	(17,682,437)	(16,964,277)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	9,136,526	9,533,263	9,944,802	10,008,923	9,848,060	10,753,510	11,081,330	10,827,712	11,535,534	12,833,668
Local option sales taxes	3,353,873	2,299,932	2,150,040	2,314,067	2,654,274	2,387,229	2,942,423	2,586,659	3,824,493	4,143,038
Other taxes and licenses	361,918	362,558	480,200	591,422	357,492	554,097	116,643	444,948	433,926	360,644
Grants & Contributions, unrestricted	248,064	185,470	256,218	200,362	192,202	211,981	-	-	-	-
Investment earnings, unrestricted	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445	30,141	73,145
Miscellaneous, unrestricted	66,124	(11,725)	2,910	112,664	226,520	173,294	102,290	(98,091)	72,055	47,211
Transfers	-	(12,500)	-	100,000	-	-	-	-	-	-
Total governmental activities	13,285,467	12,388,765	12,852,628	13,348,789	13,290,876	14,083,623	14,245,545	13,779,673	15,896,149	17,457,706
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	55,359	57,785	51,581
Investment earnings, unrestricted	17,991	10,715	10,144	4,753	2,144	4,203	3,222	1,494	649	1,908
Miscellaneous, unrestricted	8,691	14,520	-	33	14,864	(11,324)	-	(3,261)	1,883	278
Transfers	-	-	-	(100,000)	-	-	-	-	-	-
Total business-type activities	26,682	25,235	10,144	(95,214)	17,008	(7,121)	3,222	53,592	60,317	53,767
Total primary government	13,312,149	12,414,000	12,862,772	13,253,575	13,307,884	14,076,502	14,248,767	13,833,265	15,956,466	17,511,473
Changes in Net Assets										
Governmental activities	865,755	1,249,492	1,323,248	1,695,305	(29,135)	(109,967)	455,384	(597,428)	(1,648,398)	897,275
Business-type activities	62,465	68,467	34,627	(39,737)	77,856	(52,246)	125,185	127,897	(77,573)	(350,079)
Total primary government	\$ 928,220	\$ 1,317,959	\$ 1,357,875	\$ 1,655,568	\$ 48,721	\$ (162,213)	\$ 580,569	\$ (469,531)	\$ (1,725,971)	\$ 547,196

TABLE 3

CASWELL COUNTY, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
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
2009	9,136,526	3,353,873	345,282	8,759	7,877	12,852,317
2010	9,533,263	2,299,932	354,639	315	7,604	12,195,753
2011	9,944,802	2,150,040	480,200	408	7,337	12,582,787
2012	10,008,923	2,314,067	591,422	138	7,511	12,922,061
2013	9,848,060	2,654,274	357,492	8,543	8,016	12,876,385
2014	10,753,510	2,387,229	554,097	9,645	7,614	13,712,095
2015	11,081,330	2,942,423	116,643	9,475	7,877	14,157,748
2016	11,106,149	2,586,659	343,631	618	94,226	14,131,283
2017	11,669,063	3,819,180	325,369	-	96,734	15,910,346
2018	12,526,482	4,143,038	246,584	-	92,971	17,009,075

(1) (2) (3) (4) (5)

Source:

- 1 Caswell County Tax Department
- 2 NC State Treasurer
- 3 NC State Treasurer
- 4 Local tax office
- 5 Alcoholic Beverage Control

TABLE 4

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved by state statute	\$1,641,218	\$1,651,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	24,069	-	-	-	-	-	-	-	-	-
Encumbrances	44,181	62,274	-	-	-	-	-	-	-	-
Register of Deeds	-	27,081	-	-	-	-	-	-	-	-
Unreserved										
Undesignated	3,315,956	4,115,211	-	-	-	-	-	-	-	-
Designated for subsequent years' expenditures	539,317	308,289	-	-	-	-	-	-	-	-
Nonspendable										
Prepaid	-	-	-	-	12,475	-	-	-	-	67,924
Restricted										
Stabilization by State Statue	-	-	1,269,072	1,469,856	1,595,257	1,712,451	1,867,664	1,581,662	1,547,643	1,686,275
Register of Deeds	-	-	35,577	30,377	30,474	29,772	32,464	41,509	49,102	57,002
Education	-	-	19,259	149,264	201,502	276,567	440,090	637,089	724,650	998,023
Committed										
Tax Revaluation	-	-	160,852	196,012	226,509	256,836	137,316	67,541	97,715	128,291
LEO Separation	-	-	-	-	-	-	-	24,991	33,785	33,816
Assigned										
Subsequent year's expenditure	-	-	621,682	414,756	370,928	665,051	1,075,599	1,455,860	430,340	395,328
Unassigned	-	-	4,512,319	5,532,909	5,409,506	4,228,094	4,175,020	4,155,155	3,584,750	3,651,412
Total general fund	<u>\$5,564,741</u>	<u>\$6,164,409</u>	<u>\$6,618,761</u>	<u>\$7,793,174</u>	<u>\$7,846,651</u>	<u>\$7,168,771</u>	<u>\$7,728,153</u>	<u>\$7,963,807</u>	<u>\$6,467,985</u>	<u>\$7,018,071</u>
All other governmental funds										
Reserved by state statute	\$ 235,825	\$ 91,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	-	-	-	-	-	-	-	-	-	-
Encumbrances	2,095	-	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:										
Designated for subsequent year's expenditures	74,262	423,354	-	-	-	-	-	-	-	-
Undesignated										
Special revenue funds	1,186,846	724,071	-	-	-	-	-	-	-	-
Capital projects funds	352,207	446,287	-	-	-	-	-	-	-	-
Restricted										
Stabilization by State Statue			22,861	18,290	128,073	68,312	341,556	21,521	52,990	54,733
General Government			203,731	632,216	377,450	207,713	161,957	162,026	160,118	160,293
Public Safety			841,699	4,185,359	918,343	400,421	211,495	207,879	45,881	36,454
Economic Development			238,387	150,843	26,219	38,415	20,860	928,239	39,502	23,702
Human Services			75,215	16,945	16,968	16,973	16,973	16,973	-	-
Cultural and Recreational			46,221	50,346	50,430	50,674	22,967	23,009	13,881	-
Unassigned			(5,794)	(426)	(51,600)	(128,923)	(353,278)	(41,963)	(36,952)	(145,593)
Total all other governmental funds	<u>\$1,851,235</u>	<u>\$1,685,591</u>	<u>\$1,422,320</u>	<u>\$5,053,573</u>	<u>\$1,465,883</u>	<u>\$ 653,585</u>	<u>\$ 422,530</u>	<u>\$1,317,684</u>	<u>\$ 275,420</u>	<u>\$ 129,589</u>

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad Valorem taxes	\$ 9,487,847	\$ 9,497,206	\$ 9,921,103	\$ 10,048,226	\$ 10,049,512	\$ 10,870,478	\$11,222,217	\$11,242,002	\$ 11,669,063	\$12,898,740
Other taxes and licenses	2,608,389	1,945,673	2,045,832	2,278,282	2,377,261	2,292,509	2,403,524	2,158,840	3,341,993	3,591,094
Unrestricted Intergovernmental	248,064	185,470	256,218	200,362	192,202	211,981	208,313	187,397	182,601	181,408
Restricted Intergovernmental	8,540,095	8,620,865	7,662,996	8,234,402	7,259,181	7,201,567	7,125,955	7,496,631	7,323,276	7,859,451
Permits and fees	464,882	457,005	372,551	454,451	461,549	505,090	813,963	715,428	639,299	693,869
Sales and services	2,343,959	2,412,776	2,211,776	1,994,210	2,103,642	2,093,186	2,399,907	1,826,244	2,062,120	2,001,308
Investment earnings	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445	30,141	73,145
Miscellaneous	94,580	80,603	153,182	177,958	315,302	242,391	128,208	98,320	72,056	9,695
Total Revenues	23,906,778	23,231,365	22,642,116	23,409,242	22,770,977	23,420,714	24,304,946	23,743,307	25,320,549	27,308,710
Expenditures										
Current:										
General government	2,599,753	2,416,327	2,468,431	2,420,079	2,538,192	2,741,452	2,736,201	3,137,715	2,901,878	2,984,485
Public safety	5,009,197	5,093,273	5,243,023	5,538,007	5,788,594	6,663,462	6,882,294	6,352,822	7,991,115	7,878,366
Environmental protection	76,770	77,957	91,359	82,372	84,601	84,767	85,775	95,703	101,882	107,419
Economic and physical development	637,715	646,353	433,037	445,626	526,691	484,949	368,686	425,376	489,956	702,002
Human Services	9,469,557	8,879,535	8,882,518	9,251,869	9,169,801	8,950,156	8,879,368	8,625,655	9,215,018	8,633,435
Culture and recreation	557,241	541,811	550,408	534,461	529,239	785,085	552,474	579,458	663,615	1,689,509
Intergovernmental:										
Education	3,592,260	3,544,272	3,169,266	3,018,865	3,048,865	2,998,193	3,280,031	3,368,855	4,174,503	3,791,195
Capital outlay	1,098,705	419,269	518,744	5,208,454	2,787,180	1,292,156	457,208	79,898	892,630	-
Debt service:										
Principal	1,027,265	962,163	970,480	465,194	628,848	916,535	778,310	1,049,095	1,268,545	1,273,996
Interest and other charges	253,535	264,141	98,749	305,469	349,579	336,617	316,272	301,711	319,698	254,048
Total expenditures	24,321,998	22,845,101	22,426,015	27,270,396	25,451,590	25,253,372	24,336,619	24,016,288	28,018,840	27,314,455
Excess of revenues over (under) expenditures	(415,220)	386,264	216,101	(3,861,154)	(2,680,613)	(1,832,658)	(31,673)	(272,981)	(2,698,291)	(5,745)
Other financing sources (uses)										
Transfers from other funds	2,374,894	1,814,362	498,669	1,700,303	85,137	430,629	173,917	430,629	1,661,855	1,775,105
Transfers out to other funds	(2,374,894)	(1,826,862)	(523,669)	(1,600,303)	(85,137)	(430,629)	(173,917)	(430,629)	(1,661,855)	(1,775,105)
Sale of equipment	-	-	-	-	-	-	-	-	-	50,000
Proceeds from the issuance of debt	-	2,560,000	-	8,567,000	146,400	342,480	360,000	342,480	160,205	360,000
Premium on debt	-	19,468	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(2,519,208)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	47,760	(25,000)	8,667,000	146,400	342,480	360,000	342,480	160,205	410,000
Net change in fund balances	\$ (415,220)	\$ 434,024	\$ 191,101	\$ 4,805,846	\$ (2,534,213)	\$ (1,490,178)	\$ 328,327	\$ 69,499	\$ (2,538,086)	\$ 404,255
Debt service as a percentage of noncapital expenditures	5.61%	5.52%	4.98%	3.60%	4.44%	5.33%	4.69%	5.79%	6.02%	5.89%

TABLE 6

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
2009	1,413,876,471	58,244,940	-	(10,633,704)	1,461,487,707	0.6290
2010	1,427,782,014	56,869,634	-	(14,220,984)	1,470,430,664	0.6290
2011	1,356,449,165	52,254,518	62,225,646	-	1,470,929,329	0.6590
2012*	1,363,246,889	119,266,464	747,800	-	1,483,261,153	0.6590
2013	1,370,285,585	125,098,179	9,294,082	-	1,504,677,846	0.6590
2014	1,376,118,058	195,846,889	-	(3,413,657)	1,568,551,290	0.6590
2015	1,399,082,769	205,601,473	-	(540,795)	1,604,143,447	0.6790
2016*	1,412,749,779	162,236,672	-	(600,008)	1,574,386,443	0.6790
2017	1,455,493,520	169,258,468	-	(10,162)	1,624,741,826	0.6790
2018	1,553,120,028	176,912,271	499,859		1,730,532,158	0.7090

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

Source: Caswell County Tax Department

TABLE 7

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

Tax Year	Caswell County	Town of Yanceyville
2008	0.672	0.340
2009	0.629	0.330
2010	0.629	0.330
2011	0.659	0.330
2012	0.659	0.330
2013	0.659	0.330
2014	0.659	0.330
2015	0.679	0.330
2016	0.679	0.330
2017	0.679	0.330
2018	0.7090	0.330

Source: Caswell County Tax Department and the Town of Yanceyville

TABLE 8

CASWELL COUNTY, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2018 AND TEN YEARS AGO
 (UNAUDITED)

<u>Taxpayer</u>	2018			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress, Inc	\$ 22,566,529	1	1.41%	16,203,609	1	1.23%
Duke Energy Carolinas, Inc	21,513,826	2	1.34%	14,042,921	2	1.06%
Thompson Trucking Inc	14,338,155	3	0.90%	-	-	-
EMC Piedmont	13,657,561	4	0.85%	8,755,862	3	0.66%
NC4 Caswell LLC	7,683,109	5	0.48%	-	-	-
Norfolk Southern	6,730,728	6	0.42%	4,524,704	7	0.34%
Southside Materials LLC	4,908,750	7	0.31%	-	-	0.00%
Public Service Co of NC Inc	3,328,072	8	0.21%	-	-	0.00%
SMV Yanceyville LLC	3,289,816	9	0.21%	2,841,204	10	0.22%
Southside Realty Investments	2,402,810	10	0.15%	-	-	0.00%
Vulcan Land, Inc	-	-	0.00%	7,411,079	4	0.56%
WC Caswell, LLC	-	-	0.00%	6,553,976	5	0.50%
Central Telephone Co	-	-	0.00%	4,829,424	6	0.37%
Mebtel Communications Inc	-	-	0.00%	3,935,065	8	0.30%
Carpediem West LLC	-	-	0.00%	3,308,790	9	0.25%
Totals	<u>\$ 100,419,355</u>			<u>\$ 72,406,634</u>		

Source: Caswell County Tax Department

TABLE 9

**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
2008	\$ 8,862,255	\$ 8,456,367	95.42%	\$ 405,888	\$ 8,862,255	100.00%
2009	9,217,803	8,850,355	96.01%	331,733	9,182,088	99.61%
2010	9,249,009	8,855,999	95.75%	357,576	9,213,575	99.62%
2011	9,298,541	8,893,686	95.65%	358,495	9,252,181	99.50%
2012	9,774,691	9,421,720	96.39%	305,485	9,727,205	99.51%
2013	9,915,827	9,557,555	96.39%	296,506	9,854,061	99.38%
2014	10,359,249	10,076,281	97.27%	215,766	10,292,047	99.35%
2015	10,892,134	10,673,421	97.99%	159,600	10,833,021	99.46%
2016	10,688,558	10,495,318	98.19%	132,432	10,627,750	99.43%
2017	11,031,997	10,870,790	98.54%	71,656	10,942,446	99.19%
2018	12,269,473	12,092,735	98.56%	-	12,092,735	98.56%

Source: Caswell County Tax Department

TABLE 10

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			
2009	3,580,000	-	1,009,503	-	4,589,503	15.63%	\$ 196.95
2010	2,990,000	-	722,340	-	3,712,340	19.50%	\$ 157.39
2011	2,285,000	-	456,860	-	2,741,860	27.25%	\$ 115.60
2012	2,045,928	8,567,000	246,666	-	10,859,594	6.03%	\$ 456.92
2013	1,794,159	8,342,000	239,218	-	10,375,377	6.33%	\$ 435.23
2014	1,547,389	7,892,000	87,814	272,349	9,799,552	7.14%	\$ 414.99
2015	1,310,619	7,442,000	419,152	207,701	9,379,472	7.69%	\$ 395.44
2016	1,078,849	6,889,000	1,616,163	140,812	9,724,824	7.54%	\$ 424.48
2017	852,079	6,233,000	1,458,030	71,605	8,614,714	N/A	N/A
2018	630,309	5,577,000	1,455,639	-	7,662,948	N/A	N/A

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

FRED - Economic Research

N/A Information not available for this period.

TABLE 11

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	3,580,000	695,000	2,885,000	402.30%	0.20%	123.80
2010	2,990,000	-	2,990,000	413.08%	0.20%	126.76
2011	2,285,000	-	2,285,000	305.84%	0.16%	96.34
2012	2,045,928	-	2,045,928	312.33%	0.14%	86.08
2013	1,794,159	-	1,794,159	273.11%	0.12%	75.26
2014	1,547,389	-	1,547,389	221.04%	0.10%	65.53
2015	1,310,619	-	1,310,619	181.67%	0.08%	55.26
2016	1,078,849	-	1,078,849	147.05%	0.07%	47.09
2017	852,079	-	852,079	N/A	0.05%	N/A
2018	630,309	-	630,309	N/A	0.04%	N/A

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

N/A Information not available for this period.

TABLE 12

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed value	\$1,461,487,707	\$ 1,470,430,664	\$ 1,470,929,329	\$1,483,261,154	\$ 1,504,677,846	\$ 1,571,964,947	\$1,604,143,446	\$ 1,574,386,443	\$1,624,741,826	\$ 1,730,532,158
Debt limit (8% of total assessed value)	116,919,017	117,634,453	117,674,346	118,660,892	120,374,228	125,757,196	128,331,476	125,950,915	129,979,346	138,442,573
Debt applicable to limit:										
Total general obligation bonds	3,580,000	2,990,000	2,285,000	10,612,928	10,136,159	9,439,389	8,752,619	7,967,849	7,085,079	6,207,309
Total installment payments	1,009,503	722,340	456,860	246,666	239,218	87,814	419,152	1,616,163	1,458,030	1,455,639
Total capital leases	-					272,349	207,701	140,812	71,605	-
Total debt applicable to limitations	4,589,503	3,712,340	2,741,860	10,859,594	10,375,377	9,799,552	9,379,472	9,724,824	8,614,714	7,662,948
Legal debt margin	\$ 112,329,514	\$ 113,922,113	\$ 114,932,486	\$ 107,801,298	\$ 109,998,851	\$ 115,957,644	\$ 118,952,004	\$ 116,226,091	\$ 121,364,632	\$ 130,779,625
Total net debt applicable to the limit as a percentage of debt limit	3.93%	3.16%	2.33%	9.15%	8.62%	7.79%	7.31%	7.72%	6.63%	5.54%

TABLE 13

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

Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (2)	Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)	Number of Building Permits (6)
2009	23,303	717,121	29,830	41	3,273	13.5%	920
2010	23,587	723,831	29,690	41	3,030	11.9%	944
2011	23,719	747,132	31,326	43.6	2,880	10.9%	875
2012	23,767	655,058	28,256	44	2,880	9.6%	943
2013	23,839	656,946	28,258	44	2,777	9.3%	867
2014	23,614	700,060	29,443	44.5	2,735	7.6%	865
2015	23,719	721,430	31,184	43	2,716	6.9%	761
2016	22,910	733,666	38,318	43	2,689	5.70%	858
2017	22,646	N/A	38,310	45	2,744	4.50%	876
2018	23,719	N/A	N/A	45.3	2,547	4.80%	932

Notes:

- (1) FRED - Economic Research
- (2) FRED - Economic Research
- (3) NC Rural Economic Development Center
- (4) State Board of Education
- (5) NC Employment Security Commission,
- (6) Total number of building permits issued by Caswell County Inspections Department.
- N/A Not Available.

TABLE 14

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

2018				2017			
Employer	Employees	Rank	Percentage of Total County	Employer	Employees	Rank	Percentage of Total County
Caswell County Schools	582	1	6.36%	Caswell County Schools	561	1	6.09%
Caswell County Local Gov	237	2	2.59%	Caswell County Local Gov	223	2	2.42%
Department of Public Safety	188	3	2.05%	Department of Public Safety	188	3	2.04%
Dan River Work Farm	166	4	1.81%	WS Construction	120	4	1.30%
Ssc Yanveyville Operating	85	5	0.93%	Certainteed Gypsum NC Inc.	94	5	1.02%
Certainteed Gypsum NC Inc.	49	6	0.54%	Ssc Yanveyville Operating	85	6	0.92%
Caswell House	39	7	0.43%	Caswell House	40	7	0.43%
Food Lion	38	8	0.42%	Food Lion	38	8	0.41%
McDonalds	35	9	0.38%	McDonalds	35	9	0.38%
Piedmont Community College	30	10	0.33%	Piedmont Community College	21	10	0.23%
Total	1449		15.83%	Total	1405		15.25%

Source: NC Employment Security Commission, Data USA, Employers

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

TABLE 15

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governing and Management	23	24	23	25	26	24	26	26	23	31
Community and Environment	2	2	5	5	5	6	5	6	7	4
Human Services	90	107	98	96	89	93	94	92	92	98
Public Safety	71	75	73	76	86	87	80	88	88	96
Cultural and Recreation	6	7	13	14	13	14	15	13	13	8
Total	192	215	212	216	219	224	220	225	223	237

Source: County Finance Department

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

TABLE 16

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety/Sheriff										
Court Papers	7,186	7,350	6,514	6,586	5,618	5,832	4,798	5,117	4,799	4,755
Investigation Reports Filed	1,113	1,095	1,203	1,185	1,255	1,343	1,255	1,539	1,663	1,678
Calls Answered	35,717	38,945	34,287	31,362	13006*	33,291	28,630	32,044	42,753	44,607
Public Safety/Emerg Mgmt/Fire										
Number of calls dispatched (includes fire & medical first response calls)	15,772	15,704	15,431	16,590	15,060	14,880	14,697	15,465	12,211	12,613
Solid Waste										
Tonnage Disposed	7,063	7,531	7,159	7,155	7,504	7,362	7,278	7,278	7,895	8,455
Number of Households Served	8,122	8,200	7,873	8,622	8,729	8,727	8,685	8,685	9,032	9,190
Community Services/Library										
Circulation	66,989	67,962	73,883	69,054	62,471	74,443	73,135	66,633	59,271	23,782
Computer Use	7,687	7,796	8,823	10,808	12,486	12,718	13,909	12,774	10,444	4,394
Program Attendance	64,392	69,648	74,899	79,491	86,214	75,181	73,533	76,884	78,611	15,886
Community Services/Building Inspections										
Number of Building Permits Issued	206	205	206	175	178	183	163	206	197	191
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	714	739	669	768	689	682	598	858	679	741
Human Services/Social Services										
Average # Medicaid Eligible Cases	4,726	4,777	4,847	5,124	4,768	4,889	5,408	5,484	5,532	5,613
Average # Food Stamp Households per month	1,885	2,106	2,574	2,607	2,674	2,639	2,854	2,536	2,244	2,146
Average \$ Fraud Collections per month	5,379	5,084	4,134	5,180	2,299	2,025	2,034	2,968	1,591	2,746
Aging & Nutrition Services/ Meals Served	10,600	9,718	8,734	8,885	10,085	7,853	9,375	8,735	7,424	7,989
Aging & Nutrition Services/Clients Served	1,740	1,224	1,131	1,158	1,132	940	942	956	883	901
Meals on Wheels/Meals Served	26,397	31,234	32,517	33,388	32,106	33,771	32,319	31,066	31,312	32,212
Meals on Wheels/Clients Served	1,328	1,559	1,647	1,701	1,671	1,664	1,726	1,531	1,628	1,687
Register of Deeds										
Documents Recorded	3,364	3,090	2,925	3,085	3,150	2,832	2,688	2,749	2,885	2,832
Marriage Licenses	85	91	99	114	88	100	99	116	93	92
Births & Deaths	185	658	812	768	806	790	736	823	797	789
Education										
School enrollment	3,117	3,030	2,880	2,824	2,777	2,735	2,716	2,689	2,744	2,547

Sources: Various county government departments.

Solid Waste- Total tonnage disposed for County

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

County administered Meals On Wheels services implemented FY 2006-2007

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

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

*Community Services/Library - FYE 2018 indicators are low due to building renovation and new construction.

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	1	1	1	2	2	1	1	3	1	1
Building Inspections	1	1	1	1	1	1	1	1	2	2
Maintenance	3	3	3	3	6	10	6	10	11	5
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	58	56	56	62	53	56	61	55	70	63
Emergency management	3	3	3	2	1	5	1	6	8	8
Ambulances	3	4	4	7	5	5	5	7	6	6
E911	2	2	2	2	1	2	2	2	2	2
Environmental Protection										
Soil & Water Conservation	0	0	0	1	1	1	1	1	1	1
Economic & Physical Development										
Economic Development/Planning	0	0	0	0	0	0	0	0	0	0
Planning	1	1	1	0	0	0	0	0	0	0
Human Services										
Transportation	13	11	11	11	13	11	13	21	25	25
Culture and Recreation										
Parks & Recreation	2	2	2	3	2	3	2	3	5	5
Farmer Lake	1	0	0	1	1	1	1	3	1	2
Library	1	1	1	1	1	1	2	2	2	2
Water & Sewer										
Landfill	2	2	2	2	2	2	3	3	3	3
Pump Stations	1	1	1	1	1	1	1	1	1	1
Elevated tanks	1	1	1	1	1	1	1	1	1	1
Elevated water pump station	1	1	1	1	1	1	1	1	1	1

Source: County Finance Department

COMPLIANCE SECTION



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Caswell County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises Caswell County's basic financial statements, and have issued our report thereon dated November 30, 2018. Our report includes a reference to other auditors who audited the financial statements of Caswell County ABC Board, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Caswell County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caswell County's internal control over financial reporting (internal control) to determine the audit procedure that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caswell County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. [2018-01].

Members

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caswell County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Caswell County's Response to Findings

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

Purpose of this Report

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



Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 30, 2018



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major federal programs for the year ended June 30, 2018. Caswell County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Yanceyville, North Carolina
November 30, 2018



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major state programs for the year ended June 30, 2018. Caswell County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 30, 2018

Section I. Summary of Auditors' Results

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ___yes Xno
- Significant Deficiency(s) identified ___yes Xnone reported

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

Identification of major State programs:

Program Name

Medical Assistance
School Nurse Funding Initiative
N.C. 911 Board Emergency PSAP Center Grant
State Aid to Public Libraries

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section II. Financial Statement Findings

Finding 2018-01 Reconciliation of Records

MATERIAL WEAKNESS

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

Condition: In reviewing records and testing certain account balances, we noted that several balance sheet accounts were not adequately reconciled. Several adjustments were proposed to correct those balances in preparing the financial statements.

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

Cause: The finance office has experienced turnover during the year, and adequate time and training has not been available to train staff of required procedures that should be followed as part of year-end closing.

Recommendation: The finance office should ensure adequate staff training is available to teach staff the required balances that should be reconciled as part of year-end closing procedures. Year end entries should be made by the finance staff prior to the beginning of audit work.

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

Section III. Federal Award Findings and Questioned Costs

None Reported.

Section IV. State Award Findings and Questioned Costs

None Reported.



CASWELL COUNTY

144 Court Square, Yanceyville, NC 27379

www.caswellcountync.gov

336/694-4193

Corrective Action Plan For the Year Ended June 30, 2018

Section II - Financial Statement Findings

Finding: 2018-01 Reconciliation of Records**

Name of contact person: Gwen Vaughn, Finance Officer

Corrective Action: The County recognizes the importance of timely account reviews (reconciliations) and balancing prior to year-end closing. Management will also stress the importance of completion of the accounting processes. Training will be ongoing for staff.

Proposed Completion Date: June 30, 2019

**This was a repeat finding.

Section III - Federal Award Findings and Question Costs

None Reported.

Section IV - State Award Findings and Question Costs

None Reported.

CASWELL COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

Finding: 2017-01

Repeated as 2018-01.

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services: Division of Social Services: Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Asst. Prg.	10.561		\$ 207,850	\$ -	\$ -	\$ 207,850
Passed-through N.C. Dept. of Health and Human Services: Division of Public Health Special Supplemental Nutrition Program for Women, Infants and Children	10.557		102,107	-	-	-
Total U.S. Dept. of Agriculture			309,957	-	-	207,850
<u>US Department of Justice</u>						
Edward Byrne Mem Justice Asst Program	16.738		20,399	-	-	-
Victims of Crime Act	16.575		68,373	-	-	-
Total of US Department of Justice			88,772	-	-	-
<u>Institute of Museum & Library Services</u>						
Passed through Department of Natural and Cultural Resources State Library of North Carolina LSTA Grants	45.310		4,796	-	-	-
<u>US Dept. of Health and Human Services</u>						
Passed-through Piedmont Triad Regional Council of Governments Division of Aging and Adult Services <u>Aging Cluster:</u>						
Special Programs for the Aging Title IIIB	93.044		4,317	255	-	-
Grants for Supportive Services and Senior Centers						
Special Programs for the Aging Title IIIC	93.045		125,227	71,747	-	-
Nutrition Services						
Nutrition Services Incentive Program	93.053		27,665	-	-	-
Total Aging Cluster			157,209	72,002	-	-
Family Caregiver Giver IIIE	93.052		9,263	617	-	-
Division of Social Services: <u>Temporary Assistance Needy Family Cluster</u>						
TANF - Work First	93.558		278,368	-	-	197,830
Division of Public Health TANF - Work First	93.558		3,035	-	-	-
Total TANF Cluster			281,403	-	-	197,830
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		150,059	24,509	-	112,856
Adoption Assistance	93.659		1,406	-	-	1,406
Foster Care	N/A		19,796	1,002	-	-
Total Foster Care and Adoption Cluster			171,261	25,511	-	114,262
Child Support Enforcement	93.563		268,357	-	-	138,244
Low-Income Home Energy Assistance						
Administration	93.568		15,537	-	-	-
Energy Assistance - Direct Benefit Payments	93.568		104,400	-	-	-
Crisis Intervention Program	93.568		104,518	-	-	-
Total Low-Income Energy Assistance			224,455	-	-	-
Stephanie Tubbs Jones Child Welfare Services						
Permanency Planning - Families for Kids	93.645		4,523	-	-	1,508
Total Stephanie Tubbs Jones Child Welfare Services			4,523	-	-	1,508
Chafee Foster Care Independence Program	93.674		3,745	936	-	-
SSBG - Other Service and Training	93.667		140,872	-	-	46,957
Division of Aging and Adult Service: Division of Social Services						
SSBG - State In Home Service Fund	93.667		10,227	-	-	1,461
CPS TANF TO SSBG	93.667		35,759	-	-	-
Total Social Service Block Grant			186,858	-	-	48,418

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Administration for Children and Families						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care:						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund - Administrator	93.596		\$ 80,978	\$ -	\$ -	\$ -
Division of Child Development						
Child Care and Development Block Grant- Discretionary	93.575		(1,925)	-	-	-
Child Care and Development Block Grant - Mandatory	93.596		(254)	-	-	-
Child Care and Development Block Grant - Match	93.596		26,156	13,172	-	-
Total Child Care Development Fund Cluster			<u>104,955</u>	<u>13,172</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		353	-	-	-
State Appropriations	N/A		-	4,819	-	-
TANF-MOE	N/A		-	(4,444)	-	-
Total Subsidized Child Care Cluster			<u>105,308</u>	<u>13,547</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Department of Health and Human Services:						
Division of Social Services						
Administration:						
Medical Assistance Program	93.778		<u>518,762</u>	<u>9,326</u>	<u>-</u>	<u>219,095</u>
Total Medical Assistance Program			<u>518,762</u>	<u>9,326</u>	<u>-</u>	<u>219,095</u>
Division of Social Services						
Administration:						
State Children's Insurance Program NC Health Choice	93.767		<u>3,116</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total State Children's Insurance Program NC Health Choice			<u>3,116</u>	<u>1</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health						
Hospital Preparedness Program (HPP) and Public Emerg Preparedness (PHEP) Aligned Cooperative Agreements	93.074		29,766	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		21	-	-	-
Family Planning Services:	93.217		17,742	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		8,598	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		33,795	-	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977		42	-	-	-
Maternal and Child Health Services Block Grant	93.994		<u>20,821</u>	<u>15,618</u>	<u>-</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>2,045,045</u>	<u>137,558</u>	<u>-</u>	<u>719,357</u>
<u>U.S. Dept. of Homeland Security</u>						
Passed through the NC Dept. of Public Safety						
Emergency Management Performance Grant	97.042		38,642	-	-	-
Hazard Mitigation Grant	97.039		<u>55,082</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Homeland Security			<u>93,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing & Urban Development</u>						
North Carolina Housing Finance Agency						
Single Family Rehab Program	14.239		170,851	-	-	-
Office of Public and Indian Housing						
Lower Income Housing Assistance Program:						
Section 8 Housing Voucher Program	14.871		<u>888,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Housing & Urban Development			<u>1,059,483</u>	<u>-</u>	<u>-</u>	<u>-</u>

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
U.S. Department of Transportation						
Passed through the N.C. Department of Transportation						
Nonurbanized Area Formula Program	20.509	36233.19.15.1	\$ 28,114	\$ 1,037	\$ -	\$ -
Nonurbanized Area Formula Program	20.509	36233.19.16.1	90,211	5,638	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.57.4.3	234	29	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.57.5.3	11,672	1,459	-	-
Total U. S. Department of Transportation			130,231	8,163	-	-
Total Federal Awards			\$ 3,732,008	\$ 145,721	\$ -	\$ 927,207
State Awards:						
N.C. Dept. of Health and Human Services						
Division of Public Health						
Food and Lodging Fees			-	5,324	-	-
General Aid to Counties			-	80,107	-	-
General Communicable Disease Control			-	10,911	-	-
Child Health			-	9,480	-	-
HIV/STD State			-	500	-	-
Gonorrhea Partner Services			-	427	-	-
STD Drugs			-	179	-	-
School Nurse Funding Initiative			-	200,000	-	-
HMHC - Family Planning			-	4,410	-	-
Maternal Health			-	2,883	-	-
Women's Health Service Fund			-	5,887	-	-
TB Control			-	2,199	-	-
Total for Division of Public Health			-	322,307	-	-
Division of Social Services:						
CP&L Energy Assistance		N/A	-	8,044	-	-
State Foster Home		N/A	-	24,537	-	24,537
State Child Welfare/CPS/CS LD		N/A	-	13,715	-	-
County Funded Programs		N/A	-	-	-	441,298
Work First Non Reimbursable		N/A	-	-	-	56
Total for Division of Social Services			-	46,296	-	465,891
Division of Aging and Adult Services						
State Funds In Home Services			-	54,049	-	-
Caregiver Match			-	682	-	-
Senior Center Purpose			-	3,501	-	-
Total for Division of Aging and Adult Services			-	58,232	-	-
Total N.C. Dept. Health and Human Services			-	426,835	-	465,891
N. C. Dept. of Environmental Quality						
Division of Soil and Water Conservation						
Soil Technician Grant			-	24,478	-	-
Division of Waste Management						
Scrap Tire Program		N/A	-	31,640	-	-
White Goods Disposal			-	2,158	-	-
Total N.C. Dept. of Environmental Quality			-	58,276	-	-
N.C. Dept. of Veterans Affairs						
Veteran Grant		N/A	-	2,175	-	-
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP)						
- ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	56,941	-	-
- ROAP Rural General Public Program		36228.22.7.1	-	59,023	-	-
- ROAP Work First Transitional - Employment		36236.11.6.1	-	7,539	-	-
Total N.C. Dept. of Transportation			-	123,503	-	-
N.C. Dept. of Public Safety						
Office of Juvenile Justice Youth Services						
JCPC Administration		N/A	-	97,534	-	-
Total N.C Dept. of Public Safety			-	97,534	-	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
<u>N.C. Department of Commerce</u>						
Rural Economic Development Civic Center			\$ -	\$ 50,000	\$ 50,000	\$ -
Total N.C. Department of Commerce			-	50,000	50,000	-
<u>N. C. Council for Women/Domestic Violence Commissior</u>						
Domestic Violence			-	22,928	-	-
Marriage License			-	20,320	-	-
Family Violence			-	45,365	-	-
Total N.C. Council for Women/Domestic Violence Commission			-	88,613	-	-
<u>N. C. Department of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	87,352	-	-
<u>N.C. 911 Board</u>						
N.C. 911 Board Emergency PSAP Center Grant			-	220,553	-	-
Total N.C. Department of Public Safety			-	220,553	-	-
Total State Awards			\$ -	\$ 1,104,841	\$ 50,000	\$ 465,891
Total Federal and State Awards			\$ 3,732,008	\$ 1,250,562	\$ 50,000	\$ 1,393,098

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards (SEFSA) includes the Federal and State grant activity of Caswell County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Caswell County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Caswell County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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