

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016



*Prepared by the  
Caswell County Finance Department*

*Gwendolyn Vaughn, Finance Director*

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



CASWELL COUNTY  
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INTRODUCTORY  
SECTION





## CASWELL COUNTY

144 Court Square, Yanceyville, NC 27379

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

336/694-4193

January 23, 2017

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

It is my pleasure to submit the Comprehensive Annual Financial Report for Caswell County, North Carolina for the fiscal year ended June 30, 2016. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

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

The County's financial statements have been audited by Thompson, Price, Scott, Adams and Co. P.A., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, 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, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

**The County**

Caswell County, founded in 1777, is located in the north central Piedmont region of North Carolina, along the Virginia border. Approximately 22,941 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 2,014. The Town of Milton, which celebrated its bicentennial in 1996 as one of the oldest incorporated towns in the nation, has a current population of approximately 161. The balance of the County residents resides in unincorporated communities.

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

**Governmental Structure**

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

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

**Economic Conditions and Outlook**

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

The most recent data indicated median household income at \$37,869 compared to the state at \$46,868 according to [Census.gov/Quickfacts](http://Census.gov/Quickfacts).

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

The County's unemployment rate for June 2016 (not seasonally adjusted) is 5.7%, while reported at 6.1% for June 2015 according to the US Department of Labor Bureau of Labor Statistics.

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

**Management Policies**

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

**Major initiatives**

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

assist in initiatives to expand the County's Industrial Park along the US Highway 29 corridor and developing the existing acreage in the Caswell Industrial Park. Concurrent with that focus is on the development of small commercial businesses within the County.

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

Like many North Carolina counties, Caswell continues to be faced with budgetary restraints. Property tax collections remain a high priority with a stable collection rate above 97%. Sales & Use tax revenues show a minor increase while sales & services and permits and fees remain moderate.

### **Short and Long Term Financial Planning**

The Caswell County Board of Commissioners utilizes a Capital Improvement Plan to examine short and long term capital needs. The plan is updated based on projects and expenditures the Board elects to fund during the annual budget adoption. A Capital Improvement Fund was budgeted in previous fiscal years to tackle urgent needs. The Board addresses other projects as funding becomes available.

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

The fiscal year 2016-2017 budget was adopted with a tax rate of \$0.679. Some major features of the 2016-2017 budget include:

- Personnel: budget approved the cost of a Countywide Pay and Class Study (excluding Public Safety). Furthermore, a 4% cost of living increase was approved for designated employees.
- Capital Outlay: allocations for multiple capital outlay projects including a replacement of HVAC for the County Courthouse.
- Transfer to Other Fund(s): an allocation of additional funds to support the ten volunteer fire departments in the amount of \$542,504

### **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, 2015. The County also received this award for the fiscal years ended June 30, 1997 through 2014. 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,

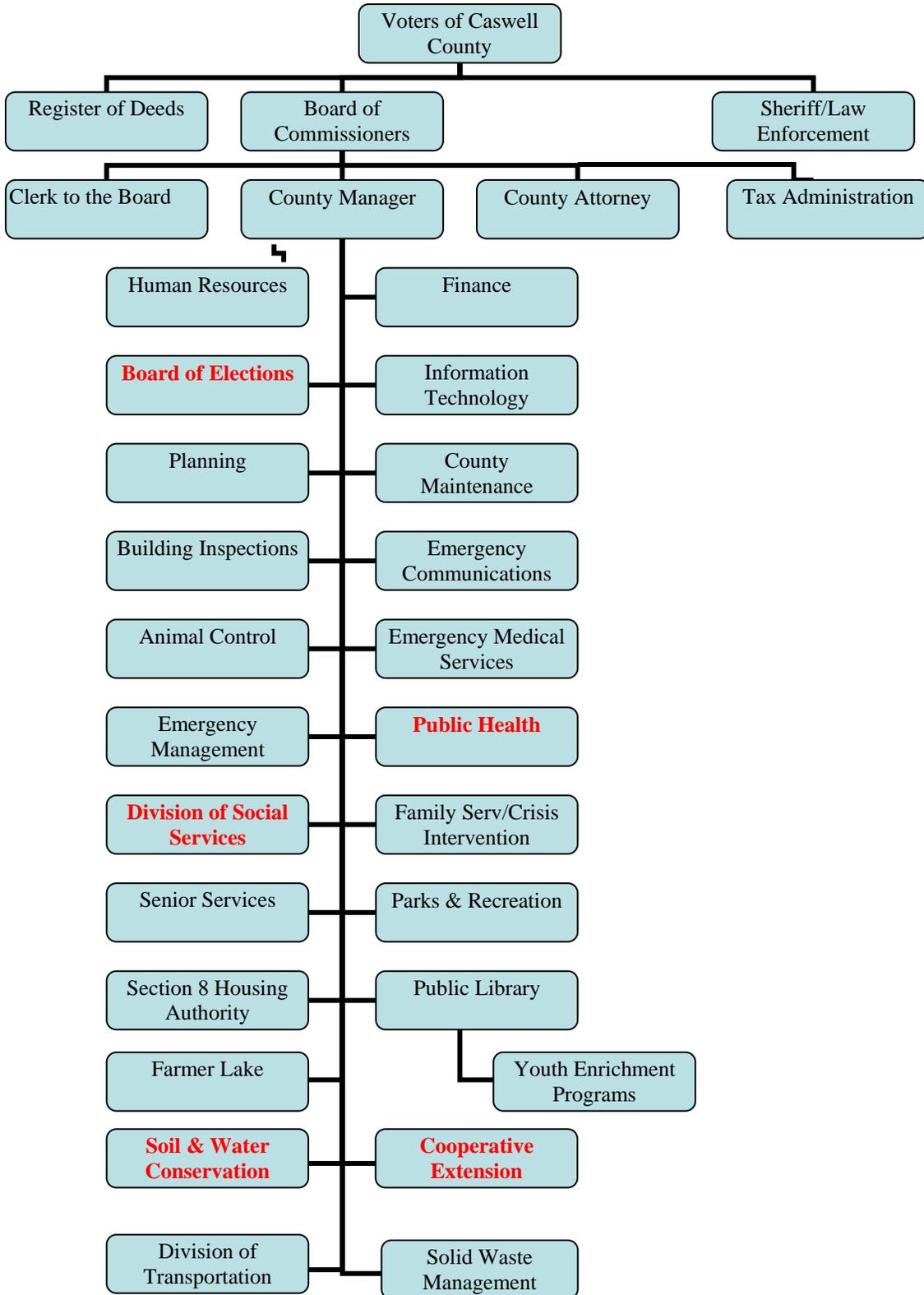
*Bryan S. Miller*

Bryan S. Miller  
County Manager

*Gwendolyn Y. Vaughn*

Gwendolyn Y. Vaughn  
Finance Director

# CASWELL COUNTY ORGANIZATION CHART FY 2015-2016



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

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

**List of Principal Officers  
June 30, 2016**

**County Commissioners**

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

**County Officials**

Bryan S. Miller .....County Manager  
Dr. Sammy Shields ..... Interim Superintendent of Schools  
John I. Satterfield ..... Clerk of Court  
Gwendolyn Y. Vaughn ..... Finance Director  
Ginny S. Mitchell ..... Register of Deeds  
Thomas C. Bernard ..... Tax Director  
Michael L. Welch ..... Sheriff  
Brian M. Ferrell ..... County Attorney



Government Finance Officers Association

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

Presented to

**Caswell County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**



Executive Director/CEO

FINANCIAL  
SECTION





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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Caswell County, North Carolina, as of and for the year ended June 30, 2016, 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 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.

## ***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, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Special Fire District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on pages 10 through 18 and 70 through 76, 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 January 23, 2017 on our consideration of Caswell County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caswell County's internal control over financial reporting and compliance.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 23, 2017

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## 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, 2016. 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

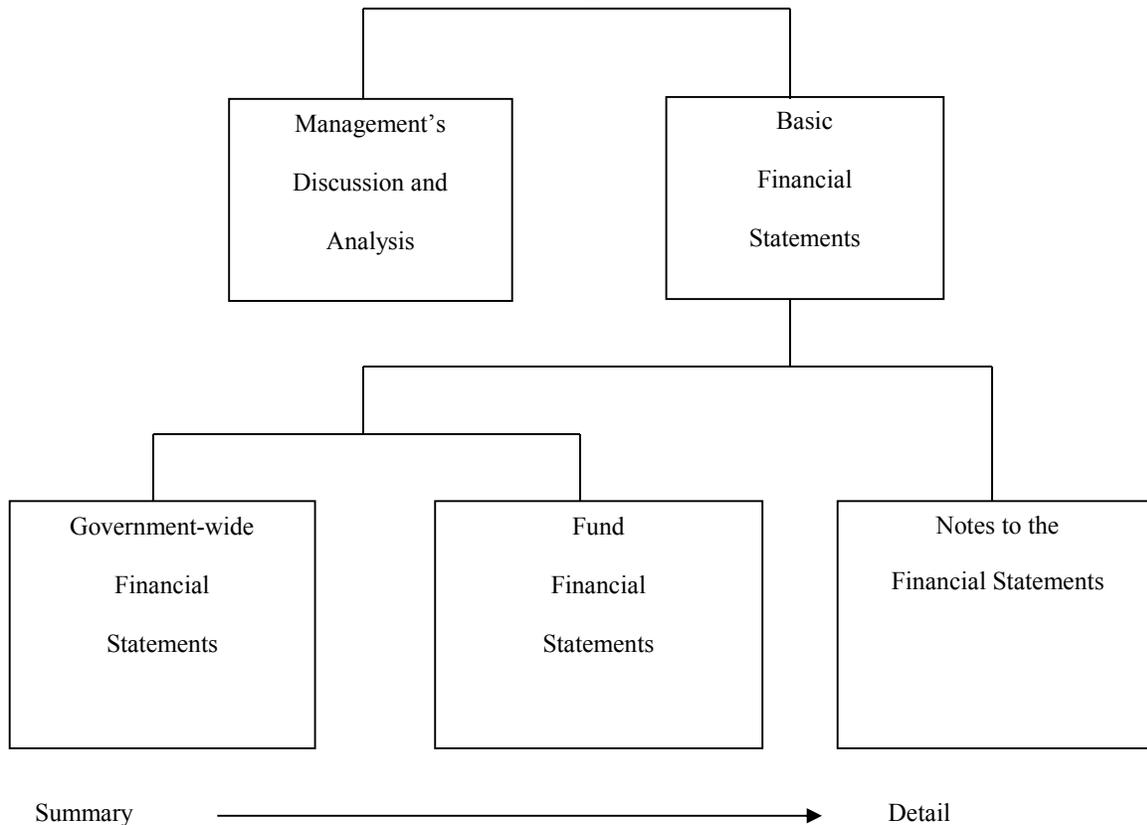
- The assets and deferred outflows of resources of Caswell County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$21,288,586 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$19,464,004 (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 \$1,863,6903 (net position).
- The government's total net position decreased by \$469,531. This decrease was a result of a decrease of \$597,428 in governmental activities offset by an increase of \$127,897 in business-type activities.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$9,281,491; an increase of \$1,123,236 in comparison to the prior year. Approximately 44.32 percent of this total amount or, \$4,113,192, 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 \$4,155,155 or 16.96 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt increased by \$345,352 or 3.68 percent during the current fiscal year.
- The County's tax rate for the current fiscal year is 0.6790 cents per \$100 valuation.

### Overview of the Financial Statements

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

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

## **Government-wide Financial Statements**

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

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

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

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

## **Fund Financial Statements**

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

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

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

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

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

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Caswell County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 70 - 76 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 \$21,327,694 as of June 30, 2016. The County’s net position decreased by \$469,531 for the fiscal year ended June 30, 2016. One of the largest portions, \$14,099,496 (66.11%) 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 \$2,734,957 (12.82%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,493,241 (21.07%) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 10,622,012	\$ 10,684,980	\$ 1,411,119	\$ 1,247,046	\$ 12,033,131	\$ 11,932,026
Capital assets	22,045,941	23,003,490	699,530	790,029	22,745,471	23,793,519
Total assets	32,667,953	33,688,470	2,110,649	2,037,075	34,778,602	35,725,545
Total deferred outflows of resources	575,123	573,461	14,829	10,061	589,952	583,522
Long-term liabilities outstanding	11,224,585	11,441,797	196,822	199,125	11,421,407	11,640,922
Other liabilities	2,151,722	788,399	55,926	59,891	2,207,648	848,290
Total liabilities	13,376,307	12,230,196	252,748	259,016	13,629,055	12,489,212
Total deferred inflows of resources	402,765	1,977,875	9,040	52,327	411,805	2,030,202
Net position:						
Net investment in capital assets	13,399,966	14,934,637	699,530	790,029	14,099,496	15,724,666
Restricted	2,734,957	3,116,026	-	-	2,734,957	3,116,026
Unrestricted	3,329,081	2,003,197	1,164,160	945,764	4,493,241	2,948,961
Total net position	\$ 19,464,004	\$ 20,053,860	\$ 1,863,690	\$ 1,735,793	\$ 21,327,694	\$ 21,789,653

Caswell County, along with many other counties in North Carolina, funds school facilities that become assets of the school district and community college facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General Obligation Bonds have been issued by the County to fund the majority of the costs of these assets. The County's liabilities at June 30, 2016 include outstanding general obligation debt of \$1,078,849 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 increase in the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage above 98%.
- Continued use of Debt Setoff Clearinghouse for certain debt collection
- Improve collections of emergency medical service debt using an outside collection agency.

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

**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,673,421	\$ 3,091,495	\$ 1,380,454	\$ 1,384,565	\$ 4,053,875	\$ 4,476,060
Operating grants and contributions	6,575,850	6,260,817	-	-	6,575,850	6,260,817
Capital grants and contributions	103,662	566,202	-	-	103,662	566,202
General revenues:						
Property taxes	10,827,712	11,081,330	-	-	10,827,712	11,081,330
Sales taxes	3,031,607	2,942,423	-	54,868	3,031,607	2,997,291
Other taxes	-	116,643	55,359	3,222	55,359	119,865
Other	(79,646)	105,149	(1,767)	-	(81,413)	105,149
Total revenues	<u>23,132,606</u>	<u>24,164,059</u>	<u>1,434,046</u>	<u>1,442,655</u>	<u>24,566,652</u>	<u>25,606,714</u>
<b>Expenses:</b>						
General government	3,062,487	2,813,150	-	-	3,062,487	2,813,150
Public safety	7,153,742	7,244,842	-	-	7,153,742	7,244,842
Environmental protection	92,390	83,689	-	-	92,390	83,689
Economic and physical development	489,906	420,330	-	-	489,906	420,330
Human services	8,552,167	8,832,869	-	-	8,552,167	8,832,869
Cultural and recreation	695,974	727,816	-	-	695,974	727,816
Education	3,368,855	3,277,785	-	-	3,368,855	3,277,785
Interest on long-term debt	314,513	308,194	-	-	314,513	308,194
Solid waste	-	-	851,066	844,273	851,066	844,273
Transportation	-	-	455,083	473,197	455,083	473,197
Total expenses	<u>23,730,034</u>	<u>23,708,675</u>	<u>1,306,149</u>	<u>1,317,470</u>	<u>25,036,183</u>	<u>25,026,145</u>
Increase in net position before transfers and special items	(597,428)	455,384	127,897	125,185	(469,531)	580,569
Transfers and special items	-	-	-	-	-	-
Increase in net position after transfers and special items	(597,428)	455,384	127,897	125,185	(469,531)	580,569
Net position, beginning	20,053,860	20,667,741	1,735,793	1,758,544	21,789,653	22,426,285
Net position, beginning, restated	20,061,432	19,598,476	1,735,793	1,610,608	21,797,225	21,209,084
Net position, ending	<u>\$ 19,464,004</u>	<u>\$ 20,053,860</u>	<u>\$ 1,863,690</u>	<u>\$ 1,735,793</u>	<u>\$ 21,327,694</u>	<u>\$ 21,789,653</u>

**Governmental activities.** Governmental activities decreased the County's net position by \$597,428. Key elements of this decrease is primarily due to the service charges, as well as a decline in property tax revenue.

**Business-type activities.** Business-type activities increased Caswell County's net position by \$127,897. Key elements of this increase is primarily due to state and federal reimbursements for transportation.

## 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 \$6,382,145, while total fund balance reached \$7,963,807. 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 26.06%, while total fund balance represents 32.51% 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 16.96% of total General Fund expenditures, while total fund balance represents 32.51% of the same amount of expenditures. Fund balance for the General Fund increased \$228,082 from the prior year. Expenditures (including transfers) increased from the previous year by \$1,530,877. Several factors contributing to the increase includes an increase in capital spending and debt service.

Revenues decreased \$233,261 primarily due a decrease in other license and taxes.

At June 30, 2016, the governmental funds of Caswell County reported a combined fund balance of \$9,281,491, a 13.77% percent increase from the previous year. The primary reason for this increase was a result of the County receiving funding for the Courthouse HVAC project in the current year, but the funds were not spent as of the end of the year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the total budget by 1.34% or \$337,279. The largest change involving human services due to increased restricted intergovernmental revenues from State appropriations.

**Proprietary Funds.** Caswell County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Management and Transportation Funds at the end of the fiscal year totaled \$1,164,160. The total net position for the funds increased \$127,897. 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, 2016, totals \$22,745,471 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

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

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
Construction in Progress	78,403	-	-	-	78,403	-
Buildings	15,003,243	15,595,514	11,231	11,885	15,014,474	15,607,399
Improvements	906,842	904,180	219,821	227,646	1,126,663	1,131,826
Equipment	1,065,867	1,451,557	98,094	132,641	1,163,961	1,584,198
Vehicles	1,150,323	1,096,818	332,884	380,357	1,483,207	1,477,175
Audiovisuals	5,565	10,577	-	-	5,565	10,577
Other Assets	2,909,859	3,018,694	-	-	2,909,859	3,018,694
Infrastructure	9,969	10,280	-	-	9,969	10,280
<b>Total</b>	<b>\$ 22,045,941</b>	<b>\$ 23,003,490</b>	<b>\$ 699,530</b>	<b>\$ 790,029</b>	<b>\$ 22,745,471</b>	<b>\$ 23,793,519</b>

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

**Long-term Debt.** As of June 30, 2016, Caswell County had total bonded debt outstanding of \$9,724,824 , the majority of which is backed by the full faith and credit of the County.

### Caswell County's Outstanding Debt Figure 5

	Governmental Activities	
	2016	2015
Bonds	\$ 7,959,000	\$ 8,742,000
Plus: Premiums on Issuance	8,849	10,619
Total Bonds	7,967,849	8,752,619
Installment Purchases	1,616,163	419,152
Capital Leases	140,812	207,701
<b>Total</b>	<b>\$ 9,724,824</b>	<b>\$ 9,379,472</b>

Caswell County's total debt increased by \$345,352 (3.68 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 \$116,226,091. The County's current general obligation debt represents approximately 0.51% of total assessed value of taxable property.

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

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

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

- The County maintained prior year's ad valorem tax rate. Growth in the tax base of the County is expected to continue at a moderate rate, yielding increases in property tax revenues, primarily due to the 2016 property tax revaluation.
- The Board of Commissioners continues to research prospects for additional revenue sources including a 0.25% local sales and use tax levy for the taxpayers vote.

### **Budget Highlights for Fiscal Year Ending June 30, 2017**

#### **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 is expected to be reduces for a small savings to County residents. The Solid Waste Fund will have added expenditures for equipment and vehicle upgrades, as well as Convenience Center improvements.

The Caswell Area Transportation Fund rates and services are expected to remain the same.

Revenues are expected to continue to grow at a slow pace for the business-type activities.

#### **Requests for Information**

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

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# BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

**Caswell County, North Carolina**  
**Statement of Net Position**  
**June 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
<b>ASSETS</b>				
Cash and cash investments	\$ 6,912,352	\$ 1,228,320	\$ 8,140,672	\$ 239,639
Restricted cash and cash equivalents	1,518,593	-	1,518,593	-
Taxes receivable (net)	519,112	94,635	613,747	-
Accrued interest receivable on taxes	71,238	-	71,238	-
Accounts receivables (net)	1,561,609	88,164	1,649,773	-
Internal Balances	-	-	-	-
Prepaid items	-	-	-	5,759
Inventories	-	-	-	182,226
Net Pension Asset	39,108	-	39,108	-
Capital assets:				
Land, improvements, and construction in progress	994,273	37,500	1,031,773	6,000
Other capital assets, net of depreciation	21,051,668	662,030	21,713,698	189,499
Total capital assets	22,045,941	699,530	22,745,471	195,499
Total assets	\$ 32,667,953	\$ 2,110,649	\$ 34,778,602	\$ 623,123
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 575,123	\$ 14,829	\$ 589,952	\$ 7,111
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 645,749	\$ 50,616	\$ 696,365	\$ 55,742
Accrued interest payable	136,449	-	136,449	-
Long-term liabilities:				
Due within one year				
Bonds	882,770	-	882,770	-
Capital leases	69,207	-	69,207	-
Installment obligations	263,797	-	263,797	-
Compensated absences	153,750	5,310	159,060	-
Due in more than one year				
Bonds	7,085,079	-	7,085,079	-
Capital leases	71,605	-	71,605	-
Installment obligations	1,352,366	-	1,352,366	-
Compensated absences	461,250	15,930	477,180	-
Accrued postclosure liability	-	87,501	87,501	-
Net Pension Liability (LRS)	574,274	15,487	589,761	7,450
Net Pension obligation	356,407	-	356,407	-
Other postemployment benefits	1,323,604	77,904	1,401,508	-
Total long-term liabilities	12,594,109	202,132	12,796,241	7,450
Total liabilities	\$ 13,376,307	\$ 252,748	\$ 13,629,055	\$ 63,192
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 402,765	\$ 9,040	\$ 411,805	\$ 1,712
<b>NET POSITION</b>				
Net investment in capital assets	\$ 13,399,966	\$ 699,530	\$ 14,099,496	\$ 195,499
Restricted for:				
Register of deeds	41,509	-	41,509	-
Stabilization by state statute	1,603,183	-	1,603,183	-
General Government	162,026	-	162,026	-
Public Safety	207,879	-	207,879	-
Economic Development	928,239	-	928,239	-
Human Services	16,973	-	16,973	-
Cultural and Recreational	23,009	-	23,009	-
Education	637,089	-	637,089	-
Working Capital	-	-	-	67,828
Unrestricted (deficit)	2,444,131	1,164,160	3,608,291	302,003
Total net position	\$ 19,464,004	\$ 1,863,690	\$ 21,327,694	\$ 565,330

**Caswell County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Caswell County ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 3,062,487	\$ 505,440	\$ -	\$ -	\$ (2,557,047)	\$ -	\$ (2,557,047)	
Public safety	7,153,742	1,181,754	1,021,213	-	(4,950,775)	-	(4,950,775)	
Transportation	-	-	122,916	-	122,916	-	122,916	
Environmental protection	92,390	-	24,557	-	(67,833)	-	(67,833)	
Economic and physical development	489,906	31,980	148,852	-	(309,074)	-	(309,074)	
Human services	8,552,167	882,500	5,099,853	-	(2,569,814)	-	(2,569,814)	
Cultural and recreation	695,974	71,747	158,459	-	(465,768)	-	(465,768)	
Education	3,368,855	-	-	103,662	(3,265,193)	-	(3,265,193)	
Interest on long-term debt	314,513	-	-	-	(314,513)	-	(314,513)	
Total governmental activities	<u>23,730,034</u>	<u>2,673,421</u>	<u>6,575,850</u>	<u>103,662</u>	<u>(14,377,101)</u>	<u>-</u>	<u>(14,377,101)</u>	
Business-type activities:								
Solid Waste	851,066	872,816	-	-	-	21,750	21,750	
Caswell division of transportation	455,083	507,638	-	-	-	52,555	52,555	
Total business-type activities	<u>1,306,149</u>	<u>1,380,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,305</u>	<u>74,305</u>	
Total primary government	<u>\$ 25,036,183</u>	<u>\$ 4,053,875</u>	<u>\$ 6,575,850</u>	<u>\$ 103,662</u>	<u>(14,377,101)</u>	<u>74,305</u>	<u>(14,302,796)</u>	
<b>Component Units:</b>								
Caswell County ABC Board	\$ 2,074,397	\$ 2,111,439	\$ -	\$ -				\$ 37,042
Total component units	<u>\$ 2,074,397</u>	<u>\$ 2,111,439</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ 37,042</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					10,827,712	-	10,827,712	-
Local option sales tax					2,586,659	-	2,586,659	-
Other taxes and licenses					444,948	55,359	500,307	-
Investment earnings, unrestricted					18,445	1,494	19,939	82
Sale of assets					(181,911)	(3,934)	(185,845)	-
Miscellaneous, unrestricted					83,820	673	84,493	-
Transfers					-	-	-	-
Total general revenues, special items, and transfers					<u>13,779,673</u>	<u>53,592</u>	<u>13,833,265</u>	<u>82</u>
Change in net position					(597,428)	127,897	(469,531)	37,124
Net position-beginning					20,053,860	1,735,793	21,789,653	528,206
Restatement					7,572	-	7,572	-
Net position-beginning, restated					<u>20,061,432</u>	<u>1,735,793</u>	<u>21,797,225</u>	<u>528,206</u>
Net position-ending					<u>\$ 19,464,004</u>	<u>\$ 1,863,690</u>	<u>\$ 21,327,694</u>	<u>\$ 565,330</u>

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FUND  
FINANCIAL STATEMENTS

**Caswell County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	Major Governmental			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Fire District Fund	Courthouse HVAC Project	Other Governmental Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,382,736	\$ 96,112	\$ -	\$ 433,504	\$ 6,912,352
Cash and cash equivalents-Restricted	608,496	-	910,097	-	1,518,593
Taxes Receivable	403,978	115,134	-	-	519,112
Accounts Receivable	1,540,088	1,040	-	20,481	1,561,609
Due from other funds	41,574	-	-	-	41,574
Total assets	<u>\$ 8,976,872</u>	<u>\$ 212,286</u>	<u>\$ 910,097</u>	<u>\$ 453,985</u>	<u>\$ 10,553,240</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 543,773	\$ 96,501	\$ 3,500	\$ 1,975	\$ 645,749
Due to other funds	-	-	-	41,574	41,574
Total liabilities	<u>543,773</u>	<u>96,501</u>	<u>3,500</u>	<u>43,549</u>	<u>687,323</u>
Deferred inflows of resources					
Prepaid taxes	65,314	-	-	-	65,314
Reserve for taxes receivable	403,978	115,134	-	-	519,112
Total deferred inflows of resources	<u>469,292</u>	<u>115,134</u>	<u>-</u>	<u>-</u>	<u>584,426</u>
Fund balances:					
Restricted:					
Stabilization by State statue	1,581,662	1,040	-	20,481	1,603,183
Register of Deeds	41,509	-	-	-	41,509
Education	637,089	-	-	-	637,089
General Government	-	-	-	162,026	162,026
Public Safety	-	-	-	207,879	207,879
Economic Development	-	-	906,597	21,642	928,239
Human Services	-	-	-	16,973	16,973
Cultural and Recreational	-	-	-	23,009	23,009
Committed:					
Tax Revaluation	67,541	-	-	-	67,541
LEO Separation	24,991	-	-	-	24,991
Assigned:					
Subsequent year's expenditures	1,455,860	-	-	-	1,455,860
Unassigned:	4,155,155	(389)	-	(41,574)	4,113,192
Total fund balances	<u>7,963,807</u>	<u>651</u>	<u>906,597</u>	<u>410,436</u>	<u>9,281,491</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,976,872</u>	<u>\$ 212,286</u>	<u>\$ 910,097</u>	<u>\$ 453,985</u>	<u>\$ 10,553,240</u>

**Caswell County, North Carolina**  
**Reconciliation of the Governmental Funds Balance Sheet To**  
**The State of Net Position**  
**Governmental Fund**  
**June 30, 2016**

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

Total Fund Balance - Governmental Funds	\$ 9,281,491
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	35,958,795
Less accumulated depreciation	<u>(13,912,854)</u>
Net capital assets	22,045,941
Net Pension Asset (Register of Deeds)	39,108
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	545,876
Register of Deeds	2,856
Pension related deferrals	
LGERS	4,010
Register of Deeds	2,287
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	71,238
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	20,094
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	519,112
Pension related deferrals	
LGERS	(335,214)
Register of Deeds	(2,237)
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	(9,724,824)
Compensated absences	(615,000)
Net pension obligation	(356,407)
Other postemployment benefits	(1,323,604)
Net pension liability - LGERS	(574,274)
Accrued interest payable	<u>(136,449)</u>
Total adjustment	<u>10,182,513</u>
Net position of governmental activities	<u>\$ 19,464,004</u>

**Caswell County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	<u>Major Governmental</u>			<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Fire District Fund</u>	<u>Courthouse HVAC Project</u>	<u>Other Governmental Funds</u>	
<b>REVENUES</b>					
Ad valorem taxes	\$ 10,873,719	\$ 368,283	\$ -	\$ -	\$ 11,242,002
Other taxes and licenses	2,152,987	5,853	-	-	2,158,840
Restricted intergovernmental	7,019,073	-	-	477,558	7,496,631
Unrestricted intergovernmental	187,397	-	-	-	187,397
Permits and fees	715,428	-	-	-	715,428
Sales and services	1,826,244	-	-	-	1,826,244
Investment earnings	17,940	-	-	505	18,445
Miscellaneous	98,320	-	-	-	98,320
Total revenues	<u>22,891,108</u>	<u>374,136</u>	<u>-</u>	<u>478,063</u>	<u>23,743,307</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,137,715	-	-	-	3,137,715
Public safety	5,757,512	403,682	-	191,628	6,352,822
Cultural and recreational	579,458	-	-	-	579,458
Environmental protection	95,703	-	-	-	95,703
Economic and physical development	286,266	-	-	139,110	425,376
Human Services	8,625,655	-	-	-	8,625,655
Capital Outlay	-	-	78,403	1,495	79,898
Intergovernmental:					
Education	3,265,193	-	-	103,662	3,368,855
Debt service:					
Principal	1,049,095	-	-	-	1,049,095
Interest	300,761	-	-	-	300,761
Debt issuance cost	950	-	-	-	950
Total expenditures	<u>23,098,308</u>	<u>403,682</u>	<u>78,403</u>	<u>435,895</u>	<u>24,016,288</u>
Revenues over expenditures	<u>(207,200)</u>	<u>(29,546)</u>	<u>(78,403)</u>	<u>42,168</u>	<u>(272,981)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,420,388	-	-	-	1,420,388
Transfers (out)	(1,396,323)	31,500	-	(55,565)	(1,420,388)
Installment purchase obligations issued	411,217	-	985,000	-	1,396,217
Total other financing sources and uses	<u>435,282</u>	<u>31,500</u>	<u>985,000</u>	<u>(55,565)</u>	<u>1,396,217</u>
Net change in fund balance	228,082	1,954	906,597	(13,397)	1,123,236
Fund balances-beginning	7,728,153	(1,303)	-	423,833	8,150,683
Restatement	7,572	-	-	-	7,572
Fund balances-ending	<u>\$ 7,963,807</u>	<u>\$ 651</u>	<u>\$ 906,597</u>	<u>\$ 410,436</u>	<u>\$ 9,281,491</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, 2016**

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

Net changes in fund balances - total governmental funds	\$ 1,123,236
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	690,142
Cost of disposed capital asset not recorded in fund statements	(196,411)
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	(1,451,280)
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	(1,396,217)
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	1,049,095
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	542,453
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)	(10,553)
Compensated absences	6,152
Other postemployment benefits	(197,533)
Change in Pension Obligation - LEO	(41,305)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(4,019)
Pension expense	(298,668)
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	(327,189)
Increase in accrued interest receivable at end of year	(87,101)
	<u>(87,101)</u>
Total changes in net position of governmental activities	<u>\$ (597,428)</u>

**Caswell County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund and Annually Budgeted Major Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund				Special Fire District Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>								
Ad valorem taxes	\$ 10,883,316	\$ 10,883,316	\$ 10,873,719	\$ (9,597)	\$320,457	\$ 320,457	\$ 368,283	\$ 47,826
Other taxes and licenses	2,142,981	2,142,981	2,152,987	10,006	4,500	4,500	5,853	1,353
Restricted intergovernmental	7,568,128	7,727,971	7,019,073	(708,898)	-	-	-	-
Unrestricted intergovernmental	207,635	193,550	187,397	(6,153)	-	-	-	-
Permits and fees	589,265	629,063	715,428	86,365	-	-	-	-
Sales and services	1,730,651	1,813,196	1,826,244	13,048	-	-	-	-
Investment earnings	2,150	2,150	16,539	14,389	-	-	-	-
Miscellaneous	1,500	34,355	98,320	63,965	-	-	-	-
Total revenues	<u>23,125,626</u>	<u>23,426,582</u>	<u>22,889,707</u>	<u>(536,875)</u>	<u>324,957</u>	<u>324,957</u>	<u>374,136</u>	<u>49,179</u>
<b>Expenditures</b>								
<b>Current:</b>								
General government	3,195,138	3,177,700	3,037,715	139,985	-	-	-	-
Public safety	5,949,212	6,083,740	5,757,512	326,228	356,457	356,457	403,682	(47,225)
Environmental Protection	101,983	101,983	95,703	6,280	-	-	-	-
Economic and physical development	301,796	334,818	286,266	48,552	-	-	-	-
Human services	9,579,115	9,598,443	8,625,655	972,788	-	-	-	-
Cultural and recreational	606,385	606,285	579,458	26,827	-	-	-	-
<b>Intergovernmental:</b>								
Education	3,265,193	3,265,193	3,265,193	-	-	-	-	-
Debt service	1,423,034	1,420,623	1,350,806	69,817	-	-	-	-
Total expenditures	<u>24,421,856</u>	<u>24,588,785</u>	<u>22,998,308</u>	<u>1,590,477</u>	<u>356,457</u>	<u>356,457</u>	<u>403,682</u>	<u>(47,225)</u>
Revenues over (under) expenditures	<u>(1,296,230)</u>	<u>(1,162,203)</u>	<u>(108,601)</u>	<u>1,053,602</u>	<u>(31,500)</u>	<u>(31,500)</u>	<u>(29,546)</u>	<u>1,954</u>
<b>Other financing sources (uses):</b>								
Appropriated fund balance	1,075,599	1,111,922	-	(1,111,922)	-	-	-	-
Debt proceeds	411,217	411,217	411,217	-	-	-	-	-
Transfers from other funds	625,065	625,065	625,065	-	31,500	31,500	31,500	-
Transfers to other funds	(815,651)	(986,001)	(826,823)	159,178	-	-	-	-
Total other financing sources (uses)	<u>1,296,230</u>	<u>1,162,203</u>	<u>209,459</u>	<u>(952,744)</u>	<u>31,500</u>	<u>31,500</u>	<u>31,500</u>	<u>-</u>
Revenues and Other Financing Sources over expenditures and othe financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>100,858</u>	<u>\$ 100,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,954</u>	<u>\$ 1,954</u>
<b>Fund balances:</b>								
Beginning of year, July 1			7,150,747				(1,303)	
Restatement of Fund Balance (see Note X)			<u>7,572</u>				<u>-</u>	
End of year, June 30			<u>\$ 7,251,605</u>				<u>\$ 651</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:								
Investment Earnings			225					
Revaluation Expense			(100,000)					
Transfer from General Fund			30,000					
Fund balance, beginning of year			<u>137,316</u>					
<b>School Capital Reserve Fund</b>								
Investment Earning			1,176					
Transfers-in from General Fund			765,323					
Transfer-out to General Fund			(569,500)					
Fund Balance, Beginning			<u>440,090</u>					
Fund balance, ending (Exhibit 4)			<u>\$ 7,956,235</u>					

**Caswell County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	MAJOR		Total Enterprise Funds
	Solid Waste Management	Caswell Division of Transportation	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,050,820	\$ 177,500	\$ 1,228,320
Taxes receivable (net)	94,635	-	94,635
Accounts receivable (net)	14,571	73,593	88,164
Due from other funds	-	-	-
Total current assets	<u>1,160,026</u>	<u>251,093</u>	<u>1,411,119</u>
Noncurrent assets:			
Net Pension Asset	-	-	-
Capital assets:			
Land, improvements and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	263,293	398,737	662,030
Total capital assets	<u>300,793</u>	<u>398,737</u>	<u>699,530</u>
Total noncurrent assets	<u>300,793</u>	<u>398,737</u>	<u>699,530</u>
Total assets	<u>1,460,819</u>	<u>649,830</u>	<u>2,110,649</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,394</u>	<u>9,435</u>	<u>14,829</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
Current liabilities:			
Accounts Payable	48,683	1,933	50,616
Compensated absences payable	2,220	3,090	5,310
Total current liabilities	<u>50,903</u>	<u>5,023</u>	<u>55,926</u>
Noncurrent liabilities:			
Compensated absences	6,661	9,269	15,930
Other postemployment benefits	25,919	51,985	77,904
Net pension liability	5,633	9,854	15,487
Accrued postclosure liability	87,501	-	87,501
Total noncurrent liabilities	<u>125,714</u>	<u>71,108</u>	<u>196,822</u>
Total liabilities	<u>176,617</u>	<u>76,131</u>	<u>252,748</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>3,288</u>	<u>5,752</u>	<u>9,040</u>
<b>NET POSITION</b>			
Net investment in capital assets	300,793	398,737	699,530
Unrestricted	985,515	178,645	1,164,160
Total net position	<u>\$ 1,286,308</u>	<u>\$ 577,382</u>	<u>\$ 1,863,690</u>

**Caswell County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR		Totals
	Solid Waste	Caswell Department of Transportation	
Revenues:			
Operating Revenues:			
Charges for Services	\$ 872,816	\$ 507,638	\$ 1,380,454
Total Operating Revenues	<u>872,816</u>	<u>507,638</u>	<u>1,380,454</u>
Expenditures:			
Operating Expenses:			
Administrartion			
Salaries	-	50,578	50,578
Other expenses	-	79,131	79,131
Operations:			
Salaries	109,110	181,534	290,644
Other Expenses	699,462	60,409	759,871
Depreciation	42,494	83,431	125,925
Total Expenditures	<u>851,066</u>	<u>455,083</u>	<u>1,306,149</u>
Operating income (loss)	<u>21,750</u>	<u>52,555</u>	<u>74,305</u>
Nonoperating Revenues (Expenses)			
Interest Earned on Investments	445	300	745
Interest Earned on interfund loan	749	-	749
Disposal Tax	55,359	-	55,359
Miscellaneous Revenue	673	-	673
Gain (Loss) on disposal of assets	<u>(10,843)</u>	<u>6,909</u>	<u>(3,934)</u>
Total Nonoperating Revenues	<u>46,383</u>	<u>7,209</u>	<u>53,592</u>
CHANGE IN NET POSITION	68,133	59,764	127,897
TOTAL NET POSITION BEGINNING	<u>1,218,175</u>	<u>517,618</u>	<u>1,735,793</u>
TOTAL NET POSITION- ENDING	<u>\$ 1,286,308</u>	<u>\$ 577,382</u>	<u>\$ 1,863,690</u>

**Caswell County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR		
	Solid Waste	Caswell Division of Transportation	Totals June 30, 2016
Cash flows from operating activities:			
Cash received from customers	\$ 872,074	\$ 457,521	\$ 1,329,595
Cash paid for goods and services	(717,542)	(154,535)	(872,077)
Cash paid to employees for services	(104,356)	(237,028)	(341,384)
Net cash provided (used) by operating activities	<u>50,176</u>	<u>65,958</u>	<u>116,134</u>
Cash flows from noncapital financing activities			
Disposal tax	55,359	-	55,359
Miscellaneous revenue	673	-	673
(Increase) decrease in due from other funds	68,819	-	68,819
Transfers out	-	-	-
Net cash provided (used) by noncapital financial activities	<u>124,851</u>	<u>-</u>	<u>124,851</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(46,270)	(46,270)
Proceeds from sale of property and equipment	-	6,909	6,909
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(39,361)</u>	<u>(39,361)</u>
Cash flows from investing activities:			
Interest on interfund loan	749	-	749
Interest on investments	445	300	745
Net cash flows from investing activities	<u>1,194</u>	<u>300</u>	<u>1,494</u>
Net increase (decrease) in cash and cash equivalents	176,221	26,897	202,373
Cash and cash equivalents, July 1	<u>874,599</u>	<u>150,603</u>	<u>1,025,202</u>
Cash and cash equivalents, June 30	<u>\$ 1,050,820</u>	<u>\$ 177,500</u>	<u>\$ 1,227,575</u>

(continued)

**Caswell County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2016**

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

Operating income (loss)	\$ <u>21,750</u>	\$ <u>52,555</u>	\$ <u>74,305</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	42,494	83,431	125,925
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(742)	(50,117)	(50,859)
(Increase) decrease in deferred outflows of resources for pensions	871	(5,639)	(4,768)
(Increase) decrease in net pension asset	6,629	14,457	21,086
Increase (decrease) in accounts payable and accrued liabilities	5,720	(14,995)	(9,275)
Increase (decrease) in deferred inflows of resources for pensions	(13,162)	(30,125)	(43,287)
Increase (decrease) in net pension liability	5,633	9,854	15,487
Increase (decrease) in accrued postclosure liability	(23,800)	-	(23,800)
Increase (decrease) in compensated absences	1,706	1,146	2,852
Increase (decrease) in OPEB	3,077	5,391	8,468
Total adjustments	<u>28,426</u>	<u>13,403</u>	<u>41,829</u>
Net cash provided (used) by operating activities	\$ <u><u>50,176</u></u>	\$ <u><u>65,958</u></u>	\$ <u><u>116,134</u></u>

**Caswell County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2016**

		Agency Funds
<b>ASSETS</b>		
Cash and investments	\$	8,205
Accounts Receivable		4,205
Total Assets	\$	12,410
 <b>LIABILITIES AND NET POSITION</b>		
Liabilities:		
Miscellaneous Liability	\$	12,410
Total liabilities		12,410
Net position:		
Held in trust (Fiduciary net assets)		-
Total Liabilities and Net Pension	\$	12,410

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NOTES TO THE BASIC  
FINANCIAL STATEMENTS



**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**A. Reporting Entity**

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

**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, 2016**

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

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

The County reports the following major governmental fund:

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

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

The County reports the following enterprise funds:

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

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

Additionally, the County reports the following fiduciary fund types:

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

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

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

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

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

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

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

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

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

**D. Budgetary Data**

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

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**1. Deposits and Investments**

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

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

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

**2. Cash and Cash Equivalents**

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

**3. Restricted Assets**

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

**Caswell County Restricted Cash**

<u>Governmental Activities</u>		
General Fund	Tax Revaluation	\$ 67,541
General Fund	Register of Deeds	40,855
General Fund	Unexpended School Restricted Capital	500,100
Courthouse HVAC Fund	Unexpended Project Funds	910,097
Total Restricted Cash		<u>\$ 1,518,593</u>

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**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

**5. Allowance for Doubtful Accounts**

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

**6. Inventory**

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

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets 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

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

**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, 2016 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.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**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.

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.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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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.

**12 Defined Benefit Pension Plans**

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**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>
School Capital Project Funds	\$ 426
Detention Center Project Fund	22,294
County Building Fund	5,922
Scattered Site fund	12,932

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.

Excess of Expenditures over Appropriation

For the fiscal year ended June 30, 2016, the expenditure in the Special Fire District Fund exceeded the appropriations by \$47,225. The County had prior year taxes in this fund and paid these out during the current fiscal year. These expenditures will be monitored more closely in the future to ensure budget amendments are made in a timely manner for additional expenditures.

**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.

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.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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At June 30, 2016 the County's deposits had a carrying amount of \$2,610,443 and a bank balance of \$2,733,715. Of the bank balance, \$250,000 was covered by federal depository insurance; and \$2,483,715 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2016, the carrying amount of deposits for the ABC Board's deposits was \$234,517 and a bank balance of \$228,478. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2016, the ABC Board had \$ 5,122 in petty cash and change funds.

2. Investments

At June 30, 2016, the County's investments consisted of \$7,057,027 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	
2013	\$ 1,147,417	\$ 305,010	\$ 1,452,427	
2014	1,163,508	309,286	1,472,794	
2015	1,217,868	323,737	1,541,605	
2016	1,230,084	-	1,230,084	
Total	<u>\$ 4,758,877</u>	<u>\$ 938,033</u>	<u>\$ 5,696,910</u>	

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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4. Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
<b>Governmental Activities:</b>					
General	\$ 2,515,862	\$ 898,216	\$ -	\$ 82,247	\$ 3,496,325
Other Governmental	21,521	115,134	-	-	136,655
<b>Total Receivables</b>	<b>\$ 2,537,383</b>	<b>\$ 1,013,350</b>	<b>\$ -</b>	<b>\$ 82,247</b>	<b>\$ 3,632,980</b>
Allowance for Doubtful Accts.	(1,058,021)	(423,000)	-	-	(1,481,021)
<b>Total Gov't Activities</b>	<b>\$ 1,479,362</b>	<b>\$ 1,436,350</b>	<b>\$ -</b>	<b>\$ 82,247</b>	<b>\$ 2,151,959</b>
<b>Business-type Activities:</b>					
Solid Waste	\$ 14,571	\$ 103,235	\$ -	\$ -	\$ 117,806
CDOT	73,593	-	-	-	73,593
<b>Total Receivables</b>	<b>\$ 88,164</b>	<b>\$ 103,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 191,399</b>
Allowance for Doubtful Accts.	-	(8,600)	-	-	(8,600)
<b>Total Business-type</b>	<b>\$ 88,164</b>	<b>\$ 94,635</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182,799</b>

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

<b>Governmental Activities:</b>	
Sales and Use Tax	\$ 82,247
<b>Total</b>	<b>\$ 82,247</b>

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2016, was as follows:

<u>Governmental Activities:</u>	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in Progress	-	78,403	-	-	78,403
Total capital assets not being depreciated	<u>915,870</u>	<u>78,403</u>	<u>-</u>	<u>-</u>	<u>994,273</u>
Capital assets being depreciated:					
Building	20,921,377	90,262	(13,404)	-	20,998,235
Improvements	2,381,104	71,800	(32,635)	-	2,420,269
Equipment	4,608,803	63,956	(887,034)	-	3,785,725
Vehicles	2,615,466	385,721	(640,958)	-	2,360,229
Audio Visual	105,771	-	(50,127)	-	55,644
Other Assets	5,338,201	-	(11,058)	-	5,327,143
Infrastructure	17,277	-	-	-	17,277
Total capital assets being depreciated:	<u>35,987,999</u>	<u>611,739</u>	<u>(1,635,216)</u>	<u>-</u>	<u>34,964,522</u>
Less accumulated depreciation for:					
Building	5,325,863	678,201	(9,072)	-	5,994,992
Improvements	1,476,924	65,874	(29,371)	-	1,513,427
Equipment	3,157,246	352,767	(790,155)	-	2,719,858
Vehicles	1,518,648	246,398	(555,140)	-	1,209,906
Audio Visual	95,194	-	(45,115)	-	50,079
Other Assets	2,319,507	107,729	(9,952)	-	2,417,284
Infrastructure	6,997	311	-	-	7,308
Total accumulated depreciation:	<u>13,900,379</u>	<u>\$ 1,451,280</u>	<u>\$ (1,438,805)</u>	<u>\$ -</u>	<u>13,912,854</u>
Total capital assets being depreciated, net	<u>22,087,620</u>				<u>21,051,668</u>
Governmental activity capital assets, net	<u>\$ 23,003,490</u>				<u>\$ 22,045,941</u>

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

General Government	\$ 151,361
Public Safety	945,285
Economic and Physical Development	68,125
Human Services	104,684
Cultural and Recreational	181,825
Total Depreciation Expense	<u>\$ 1,451,280</u>

**CASWELL COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Business-type activities:

<b>Solid Waste</b>	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	446,085	-	(110,249)	-	335,836
Vehicles	241,880	-	(71,422)	-	170,458
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated :	1,239,159	-	(181,671)	-	1,057,488
Less accumulated depreciation for:					
Buildings	15,217	654	-	-	15,871
Land Improvements	120,012	347	-	-	120,359
General Equipment	314,719	34,122	(110,249)	-	238,592
Vehicles	68,906	7,371	(60,579)	-	15,698
Other Assets	403,675	-	-	-	403,675
Total accumulated depreciation:	922,529	\$ 42,494	\$ (170,828)	\$ -	794,195
Total capital assets being depreciated, net	316,630				263,293
Solid Waste capital assets, net	\$ 354,130				\$ 300,793
<b>Caswell Division of Transportation</b>	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	455,049	46,270	(82,252)	-	419,067
Total capital assets not being depreciated:	713,646	46,270	(82,252)	-	677,664
Less accumulated depreciation for:					
Building Improvements	17,363	5,788	-	-	23,151
Land Improvements	3,803	1,690	-	-	5,493
Computer Equipment	8,915	425	-	-	9,340
Vehicles	247,666	75,529	(82,252)	-	240,943
Total accumulated depreciation	277,747	83,432	(82,252)	-	278,927
Total capital assets being depreciated :	435,899	\$ (37,162)	\$ -	\$ -	398,737
Caswell Div. Transportation capital assets, net	435,899				398,737
Business-type activities capital assets, net	\$ 790,029				\$ 699,530

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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<b>Caswell County ABC Board</b>	Beginning				Ending
	Balances	Increases	Decreases	Transfers	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	172,464	53,511	-	-	225,975
Warehouse equipment	2,326	-	-	-	2,326
Vehicles	39,519	-	-	-	39,519
Office furniture and equipment	21,496	9,740	-	-	31,236
Store Fixtures and equipment	94,064	-	-	-	94,064
Leasehold improvements	15,952	17,000	-	-	32,952
Total capital assets being depreciated	345,821	80,251	-	-	426,072
Less accumulated depreciation for:					
Assets being depreciated	222,320	14,254	-	-	236,574
Total accumulated depreciation	222,320	\$ 14,254	\$ -	\$ -	236,574
Total capital assets being depreciated ,net	123,501				189,498
ABC Board capital assets-net	\$ 129,501				\$ 195,498

**B. Liabilities**

1. Payables

Payables at the government-wide level at June 30, 2016, were as follows :

	Vendors
Governmental Activities:	
General	\$ 543,773
Special Fire District	96,501
Courthouse HVAC Project	3,500
Other Governmental	1,975
Total Governmental Activities	\$ 645,749
Business-type Activities:	
Solid Waste	\$ 48,683
CDOT	1,933
Total Business-type Activities	\$ 50,616

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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*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, 2016, was 7.15% of compensation for law enforcement officers, 6.78% for general employees and firefighters, and 6.77% 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 \$560,597 for the year ended June 30, 2016.

*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, 2016, the County reported a liability of \$589,761 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 0.1314%, which was an increase of 0.0016% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$308,879. At June 30, 2016, 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	\$ -	\$ 138,628
Net difference between projected and actual earnings on pension plan	-	167,903
Changes in proportion and differences between County Contributions	4,118	37,723
County contributions subsequent to the measurement date	560,597	-
Total	\$ 564,715	\$ 344,254

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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\$560,597 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized

<b>Year Ended June</b>	
2017	\$ (207,174)
2018	(207,174)
2019	(206,836)
2020	281,048
2021	-
Thereafter	-
	<u>\$ (340,136)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment Rate of Return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2015 are summarized in the following table:

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.00%	2.2%
Global Equity	42.00%	5.8%
Real Estate	8.00%	5.2%
Alternatives	8.00%	9.8%
Credit	7.00%	6.8%
Inflation	6.00%	3.4%
Total	<u>100.00%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 4,112,486	\$ 589,761	\$ (2,378,056)

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  
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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. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

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

A separate report on the Pension Trust Fund was not issued for the plan.

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 Statements 67 and 68:

- \* Contributions to the pension plan and earnings on those contributions are irrevocable
- \* pension plan assets are dedicated to providing benefits to plan members
- \* pension plan assets are legally protected from the creditors or employers

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.

**CASWELL COUNTY, NORTH CAROLINA  
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The annual required contributions for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 3.57% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 3.50% to 7.35% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2015 was 15 years.

Annual Pension Cost and Net Pension Obligation – The County’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer Annual required contribution	\$ 68,334
Interest on net pension obligation	15,755
Adjustment to annual required contribution	(27,690)
Annual pension cost	<u>56,399</u>
Employer contributions made for fiscal year ending 6/30/16	15,094
Increase (decrease) in net pension obligation	<u>41,305</u>
Net pension obligation beginning of fiscal year	315,102
Net pension obligation end of fiscal year	<u><u>\$ 356,407</u></u>

Assets reserved to pay benefits are reported as committed fund balance in the General Fund. Benefit payments reduce the net pension obligation.

Funded Status and Funding Progress

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2014	\$ 41,108	78.37%	\$ 295,424
6/30/2015	50,557	61.08%	315,102
6/30/2016	56,399	26.76%	356,407

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$683,438, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$683,438. The covered payroll (annual payroll of active employees covered by the plan) was \$1,388,436, and the ratio of the UAAL to the covered payroll was 49.22%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$162,855, which consisted of \$63,656 from the County and \$99,199 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 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

*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.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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*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 \$2,856 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$39,108 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the County's proportion was 0.170%, which was a decrease of 0.0012% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension revenue of \$2,100. At June 30, 2016, 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	\$ 191	\$ 647
Net difference between projected and actual earnings on pension plan investments	1,940	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	156	1,590
County contributions subsequent to the measurement date	2,856	-
Total	<u>\$ 5,143</u>	<u>\$ 2,237</u>

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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\$2,856 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June</b>	
2017	\$ (917)
2018	16
2019	427
2020	524
Thereafter	-
	<u>\$ 50</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	5.75 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, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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, 2014 is 2.2%.

**CASWELL COUNTY, NORTH CAROLINA  
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The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease <u>(4.75%)</u>	Discount Rate <u>(5.75%)</u>	1% Increase <u>(6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (35,284)	\$ (39,108)	\$ 42,399

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.

e. Other Postemployment Benefits

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

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NOTES TO THE FINANCIAL STATEMENTS  
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Membership of the HCB Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

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

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

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

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

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

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

Annual required contribution	\$ 310,712
Interest on net OPEB obligation	54,061
Adjustment to annual required contribution	(51,645)
Annual OPEB cost (expense)	\$ 313,128
Contributions made	(107,127)
Increase (decrease) in net OPEB obligation	\$ 206,001
Net OPEB obligation, beginning of year	1,195,507
Net OPEB obligation, end of year	\$ 1,401,508

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

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 321,198	52.5%	\$ 1,047,978
2015	\$ 303,535	51.4%	\$ 1,195,507
2016	\$ 313,128	34.2%	\$ 1,401,508

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

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

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

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

f. Other Employment Benefits

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

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**3 Deferred Outflows and Inflows of Resources**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Charge on refunding of debt	\$ 20,094	\$ -
Pensions - difference between expected and actual experience		
LGERS	-	138,628
Register of Deeds	191	647
Pensions - difference between projected and actual investment		
LGERS	-	167,903
Register of Deeds	1,940	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	4,118	37,723
Register of Deeds	156	1,590
Contributions to pension plan in 2015-2016 fiscal year		
LGERS	560,597	-
Register of Deeds	2,856	-
Prepaid taxes not yet earned (General Fund)	-	65,314
Taxes receivable, net (General)	-	403,978
Taxes receivable, net (Special Revenue)	-	115,134
Total	<u>\$ 589,952</u>	<u>\$ 930,917</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.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

Caswell County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The ABC Board also has legal liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

**5 Summary of Disclosure of Significant Commitments**

The County entered into various agreements prior to June 30, 2016, as follows:

	<u>Unpaid Commitments</u>
Contract for soil conservation survey over 10 years (2 years remaining)	\$ 40,761
Total	<u>\$ 40,761</u>

These amounts were not recorded in the basic financial statements at June 30, 2016, since services have either not been commenced or fully performed.

a. **Contingent Liabilities**

At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters could have a material adverse effect on the County's financial position. However, at this time a lawsuit is pending regarding payment of back wages to certain employees in the amount of \$65,000. The outcome of this matter is unknown at this time.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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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	\$ 136,992	\$ 205,488

For Caswell County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	
2017	\$ 74,087
2018	74,087
Total minimum lease payment	148,174
Less: amount representing interest	7,362
Present Value of minimum lease payments	<u>\$ 140,812</u>

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.	\$ 288,000
Note payable to BB&T Bank for the purchase of EMS medical equipment. Principal payments of \$30,515, plus accrued interest at 2.11% are due annually starting September 26, 2012.	29,885
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.	985,000
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.	102,149
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.	211,129
Total	<u>\$ 1,616,163</u>

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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Caswell County, the future minimum payments as of June 30, 2016, including \$124,386 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 263,797	\$ 22,331
2018	238,217	22,455
2019	187,086	19,255
2020	193,063	16,033
2021	135,000	12,685
2022-2026	599,000	31,627
Total	\$ 1,616,163	\$ 124,386

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, 2016 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%

\$ 1,070,000

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2016 were as follows:

Year Ending June 30	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2017	\$ 225,000	\$ 32,600
2018	220,000	25,850
2019	215,000	19,250
2020	210,000	12,800
2021	200,000	6,500
Total	\$ 1,070,000	\$ 97,000

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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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, 2016 are comprised of the following individual

Serviced by the County's General Fund:

**\$8,567,000** 2011 Bonds Due February 1 and August 1 in installments of \$142,426 to \$447,983 through August 1, 2016; interest 3.325% \$ 6,889,000

Year Ending June 30	Governmental Activities	
	Revolving Loans	
	Principal	Interest
2017	\$ 656,000	\$ 223,606
2018	656,000	201,794
2019	656,000	179,983
2020	656,000	158,170
2021	656,000	136,358
2022-2026	3,280,000	354,611
2027-2031	329,000	5,470
Total	\$ 6,889,000	\$ 1,259,992

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016:

	Balance			Balance	
	July 1, 2015	Increases	Decreases	June 30, 2016	Current Portion
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 1,300,000	\$ -	\$ 230,000	\$ 1,070,000	\$ 225,000
Plus premiums on issuance	10,619	-	1,770	8,849	1,770
Total General obligation bonds	1,310,619	-	231,770	1,078,849	226,770
Capital Leases	207,701	-	66,889	140,812	69,207
Private placement bonds	7,442,000	-	553,000	6,889,000	656,000
Installment purchase	419,152	1,396,217	199,206	1,616,163	263,797
Compensated Absences	621,152	615,000	621,152	615,000	153,750
Net pension liability (LGERS)	-	574,274	-	574,274	-
Postemployment Benefits	1,126,071	197,533	-	1,323,604	-
Pension Obligation	315,102	41,305	-	356,407	-
Total governmental activities	\$ 11,441,797	\$ 2,824,329	\$ 1,672,017	\$ 12,594,109	\$ 1,369,524
<b>Business-type Activities:</b>					
Postemployment benefits					
Solid Waste	\$ 22,842	\$ 3,077	\$ -	\$ 25,919	\$ -
Caswell Div. Transport	46,594	5,391	-	51,985	-
Total	69,436	8,468	-	77,904	-
Net Pension Liability(LGERS)					
Solid Waste	-	5,633	-	5,633	-
Caswell Div. Transportation	-	9,854	-	9,854	-
Total	-	15,487	-	15,487	-
Compensated Absence					
Solid Waste	7,175	8,881	7,175	8,881	2,220
Caswell Div. Transpiration	11,213	12,359	11,213	12,359	3,090
Total	18,388	21,240	18,388	21,240	5,310
Accrued post closure liability	111,301	-	23,800	87,501	-
Total Business-type activities	\$ 199,125	\$ 45,195	\$ 42,188	\$ 202,132	\$ 5,310

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the end of the fiscal year.

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 Transpiration Fund.

On June 30, 2016, Caswell County had a legal debt margin of \$116,226,091.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The Caswell County landfill closed in 1994. The \$87,501 reported as accrued landfill closure liability at June 30, 2016 represents the latest estimate for costs remaining.

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

**C. Interfund Balances and Activity**

**Transfers from /to other funds**

From the School Capital Reverse Fund to the General Fund for school bond payments	\$ 569,500
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	765,323
From the General Fund to the Special Fire Department for volunteer fire departments rescue operations	31,500
From the General Fund to the Revaluation Fund for revaluation reserve and expense paid.	30,000
Total	\$ 1,451,888

**Due from/to other funds**

From the School Capital Projects Fund to the General Fund for central depository overdraft	\$ 426
From the Scattered Site Fund to General Fund for central depository overdraft	12,932
From Detention Center Project Fund to General Fund for central depository overdraft	22,294
From County Building Fund to General Fund for central depository overdraft	5,922
Total	\$ 41,574

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**D. Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-type</u>
Net Capital assets	\$ 22,045,941	\$ 699,530
Capital debt calculation:		
Total debt, gross	9,715,975	-
Less:		
School debt for assets to which the county does not hold title	(1,070,000)	-
Total capital debt	8,645,975	-
Net Investment in capital assets	\$ 13,399,966	\$ 699,530

**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	\$ 7,963,807
Less:	
Stabilization by State Statute	\$ 1,581,662
Appropriated fund balance in 2017 budget	1,455,860
Register of Deeds	41,509
Tax Revaluation	67,541
Education	637,089
LEO Separation	24,991
Remaining Fund Balance	4,155,155

The County had no outstanding encumbrances at June 30, 2016.

**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 4855 Milestone Avenue, Kannapolis, NC 28081.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**NOTE V: Joint Governed Organization**

Piedmont Triad Council of Governments

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

Person- Caswell Lake

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

Piedmont Community

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

Piedmont Triad Partnership

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

**NOTE VI: Related Party Transactions**

Caswell County had contractual agreements with two 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 yearend, the agreement was binding and there were no outstanding payments due.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 134,502	\$ -
Foster Care	56,788	14,473
Adoption Assistance	82,327	21,146
Medicaid	21,711,697	12,230,704
Health Choice	445,898	24,453
Women, Infants, and Children (WIC)	252,942	-
State/ County Special Assistance for Adults	268,826	-
CWS Adoption Subsidy	-	22,422
Section 8 Housing	854,289	-
Energy Assistance	131,604	-
SFHF Maximization	-	4,590
State Foster Home	-	7,626
Totals	<u>\$ 23,938,873</u>	<u>\$ 12,325,414</u>

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

Federal and State Assisted Programs

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

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

The County has evaluated events and transactions that occurred between June 30, 2016 and January 23, 2017, which is the date that that financial statements were available to be issued, for possible recognition or disclosure in the financial statements. The County is currently reviewing the results of the recent employee pay study. An overview will be presented to the Board of County Commissioners, and complete or partial funding is possible for the year ending June 30, 2017. There were no additional events that occurred during this time that were deemed to be significant enough to be disclosed.

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

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the County reclassified the Law Enforcement Officers' Special Separation Allowance trust fund to the General Fund. As a result, net position for the governmental activities increased by \$7,572.

**CASWELL COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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# REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

**Caswell County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**June 30, 2016**

Exhibit A-1

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2009	\$ 10,607	\$ 362,680	\$ 352,073	2.92%	\$ 1,222,188	28.81%
12/31/2010	-	363,604	363,604	0.00%	1,202,545	30.24%
12/31/2011	-	367,429	367,429	0.00%	1,196,382	30.71%
12/31/2012	-	408,290	408,290	0.00%	1,240,609	32.91%
12/31/2013	-	424,848	424,848	0.00%	1,207,485	35.18%
12/31/2014	-	460,986	460,986	0.00%	1,323,577	34.83%
12/31/2015	-	683,438	683,438	0.00%	1,388,436	49.22%

**Caswell County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2016**

Exhibit A-2

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ 7,713	\$ 2,395,807	\$ 2,385,153	0.40%	\$ 5,771,002	41.33%
12/31/2010	-	2,221,100	2,213,387	0.30%	5,621,039	39.38%
12/31/2011	-	3,450,794	3,450,794	0.00%	7,357,897	46.90%
12/31/2013	-	3,360,398	3,360,398	0.00%	7,590,994	44.27%
12/31/2015	-	2,556,761	2,556,761	0.00%	7,932,864	32.23%

**Caswell County, North Carolina  
Other Post Employment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions  
June 30, 2016**

Exhibit A-3

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	256,161	25.46%
2011	256,161	60.28%
2012	310,288	49.82%
2013	310,288	52.56%
2014	319,597	52.77%
2015	301,662	51.72%
2016	313,128	34.21%

Notes to the Required Schedules:

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

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

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

<b>Local Government Employees' Retirement System</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.131%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 589,761	\$ (784,126)	\$ 1,685,126
County's covered-employee payroll	\$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	7.50%	-10.23%	21.59%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

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

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

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

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

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

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

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

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

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

COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES



## MAJOR GOVERNMENTAL FUNDS

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

**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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>Revenues</b>				
Ad valorem Taxes				
Current year		\$ 10,495,318		\$ 10,334,826
Prior Year		242,548		295,128
Penalties and interest		135,853		204,619
Total	<u>\$ 10,883,316</u>	<u>10,873,719</u>	<u>\$ (9,597)</u>	<u>10,834,573</u>
Other Taxes and Licenses				
Sales Tax	2,049,185	1,873,037	(176,148)	1,992,623
Medicaid hold harmless	84,196	264,466	180,270	388,549
Privilege License	600	620	20	485
Cable television	9,000	14,864	5,864	16,333
Total	<u>2,142,981</u>	<u>2,152,987</u>	<u>10,006</u>	<u>2,397,990</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	95,465	94,226	(1,239)	103,295
Gasoline tax refund	8,000	618	(7,382)	9,475
Indirect costs	77,585	77,585	-	91,670
ABC Distribution	10,000	12,600	2,600	1,403
DWI State/Civil license revocation	2,500	2,368	(132)	2,470
Total	<u>193,550</u>	<u>187,397</u>	<u>(6,153)</u>	<u>208,313</u>
Restricted Intergovernmental Revenues				
Federal and state grants	5,534,733	5,135,059	(399,674)	4,594,410
School share of sales tax	924,501	765,323	(159,178)	538,899
Court facilities fees	62,100	51,796	(10,304)	65,703
ABC Board bottle tax	8,000	8,217	217	7,877
Sheriff-DEA Funds	46,610	1,345	(45,265)	31,594
EMS Medicaid Cost Settlement	80,000	-	(80,000)	116,272
School resource officer	82,432	82,432	-	-
Section 8	989,595	974,901	(14,694)	990,346
Total	<u>7,727,971</u>	<u>7,019,073</u>	<u>(708,898)</u>	<u>6,345,101</u>
Permits and Fees				
Subdivision fees	2,250	1,920	(330)	890
Building permits and inspection fees	119,510	143,470	23,960	114,414
Outdoor storage ordinance	500	600	100	450
Tax collections fees	10,500	11,071	571	10,821
Election fees	2,800	6,958	4,158	25
Register of Deeds	143,500	155,964	12,464	148,317
Concealed weapon permit	15,000	37,682	22,682	21,237
Impound fee	2,000	6,010	4,010	4,170
Civil case processing	20,000	29,999	9,999	24,235
Jail telephone fees	2,500	4,680	2,180	1,960
Animal control fees	150	9,133	8,983	8,672
Parks & Recreation fees	58,000	39,935	(18,065)	56,873
Farmer lake fees	6,400	7,692	1,292	8,481
Tax and map cards/GIS	2,000	2,152	152	1,722
4-H Activities	3,893	15,971	12,078	7,850
Cooperative Extension	11,395	13,656	2,261	6,904
Other	228,665	228,535	(130)	396,942
Total	<u>629,063</u>	<u>715,428</u>	<u>86,365</u>	<u>813,963</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>Sales and Services</b>				
Rents, concessions and fees	46,426	46,426	-	46,426
Jail fees	3,500	8,326	4,826	5,422
Ambulance fees	4,000	4,533	533	15,773
EMS source collections	650,000	724,236	74,236	696,629
Health department fees	800,273	747,966	(52,307)	956,086
Senior fees	85,529	113,182	27,653	118,452
Library fees	10,000	13,927	3,927	13,453
Detention center fees	176,750	141,218	(35,532)	516,994
Guilford Mills reimbursement	14,000	15,879	1,879	16,432
Other	22,718	10,551	(12,167)	14,240
Total	<u>1,813,196</u>	<u>1,826,244</u>	<u>13,048</u>	<u>2,399,907</u>
Interest on investments	2,150	16,539	14,389	1,527
<b>Miscellaneous</b>				
Other	34,355	98,320	(132,675)	122,448
Total	<u>34,355</u>	<u>98,320</u>	<u>(132,675)</u>	<u>122,448</u>
Total Revenues	<u>23,426,582</u>	<u>22,889,707</u>	<u>(733,515)</u>	<u>23,123,822</u>
<b>Expenditures</b>				
General Government:				
Governing Body				
Salaries and employee benefits	55,684	54,970	714	53,620
Other operating expenditures	6,580	3,810	2,770	5,303
Total	<u>62,264</u>	<u>58,780</u>	<u>3,484</u>	<u>58,923</u>
Administration				
Salaries and employee benefits	211,409	211,408	1	202,522
Other operating expenditures	72,075	65,066	7,009	95,013
Total	<u>283,484</u>	<u>276,474</u>	<u>7,010</u>	<u>297,535</u>
Board of Education				
Salaries and employee benefits	76,858	76,730	128	67,623
Other operating expenditures	57,462	50,631	6,831	40,846
Total	<u>134,320</u>	<u>127,361</u>	<u>6,959</u>	<u>108,469</u>
Finance				
Salaries and employee benefits	191,974	187,577	4,397	200,690
Other operating expenditures	18,610	10,041	8,569	6,256
Total	<u>210,584</u>	<u>197,618</u>	<u>12,966</u>	<u>206,946</u>
Tax Office				
Salaries and employee benefits	268,521	267,723	798	301,610
Other operating expenditures	214,677	211,701	2,976	134,455
Capital Outlay	10,000	4,046	5,954	3,666
Total	<u>493,198</u>	<u>483,470</u>	<u>9,728</u>	<u>439,731</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>Register of Deeds</b>				
Salaries	124,829	124,841	(12)	113,757
Other operating expenditures	55,218	52,539	2,679	60,104
Capital Outlay	7,945	-	7,945	5,300
Total	<u>187,992</u>	<u>177,380</u>	<u>10,612</u>	<u>179,161</u>
<b>Court Facilities</b>				
Other operating expenditures	48,780	38,478	10,302	43,234
Total	<u>48,780</u>	<u>38,478</u>	<u>10,302</u>	<u>43,234</u>
<b>Public Facilities</b>				
Salaries and employee benefits	213,849	213,839	10	210,714
Other operating expenditures	272,587	275,112	(2,525)	268,562
Capital Outlay	482,882	476,026	6,856	-
Total	<u>969,318</u>	<u>964,977</u>	<u>4,341</u>	<u>479,276</u>
<b>Information Technology</b>				
Salaries and employee benefits	51,973	51,968	5	51,182
Other operating expenditures	7,869	4,289	3,580	6,125
Capital Outlay	5,600	4,402	1,198	4,961
Total	<u>65,442</u>	<u>60,659</u>	<u>4,783</u>	<u>62,268</u>
<b>Nondepartmental</b>				
Health insurance-retirees	110,315	107,494	2,821	117,355
Unemployment insurance	41,920	1,519	40,401	25,072
Professional Services	134,301	129,419	4,882	221,597
Supplies	7,600	7,560	40	5,815
Maintenance and repairs	11,640	5,401	6,239	19,246
Advertising	2,000	935	1,065	381
Dues and subscription	22,316	14,202	8,114	19,238
Insurance bond	277,033	275,925	1,108	297,041
Customer Service Agreement	94,019	94,018	1	-
Wellness benefits/ activities	5,000	3,137	1,863	3,935
County Facility	1,440	1,439	1	808
Copier Rental Fee	14,734	11,469	3,265	170
Total	<u>722,318</u>	<u>652,518</u>	<u>69,800</u>	<u>710,658</u>
Total General Government	<u>3,177,700</u>	<u>3,037,715</u>	<u>139,985</u>	<u>2,586,201</u>
<b>Public safety:</b>				
<b>Sheriff</b>				
Salaries	1,703,031	1,685,821	17,210	1,707,471
Other operating expenditures	415,943	285,501	130,442	334,167
Capital Outlay	165,605	163,467	2,138	121,484
Total	<u>2,284,579</u>	<u>2,134,789</u>	<u>149,790</u>	<u>2,163,122</u>
<b>Jail</b>				
Salaries and employee benefits	770,797	747,977	22,820	780,033
Other operating expenditures	602,579	507,001	95,578	753,120
Total	<u>1,373,376</u>	<u>1,254,978</u>	<u>118,398</u>	<u>1,533,153</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>Emergency Management</b>				
Salaries and employee benefits	64,856	64,854	2	63,270
Other operating expenditures	68,851	23,107	45,744	46,293
Total	<u>133,707</u>	<u>87,961</u>	<u>45,746</u>	<u>109,563</u>
<b>911 communications</b>				
Salaries and employee benefit	419,051	419,048	3	414,223
Other operating expenditures	47,351	48,472	(1,121)	31,127
Capital Outlay	2,100	2,100	-	7,166
Total	<u>468,502</u>	<u>469,620</u>	<u>(1,118)</u>	<u>452,516</u>
<b>School resource officer</b>				
Salaries and employee benefits	100,317	100,314	3	95,474
Other operating expenditures	8,804	5,129	3,675	5,243
Total	<u>109,121</u>	<u>105,443</u>	<u>3,678</u>	<u>100,717</u>
<b>Inspections</b>				
Salaries and employee benefit	117,767	117,765	2	108,399
Other operating expenditures	38,663	38,342	321	18,055
Total	<u>156,430</u>	<u>156,107</u>	<u>323</u>	<u>126,454</u>
<b>Emergency medical services</b>				
Salaries and employee benefits	1,302,990	1,302,033	957	950,295
Other operating expenditures	244,535	237,081	7,454	257,578
Capital outlay	-	-	-	350,453
Total	<u>1,547,525</u>	<u>1,539,114</u>	<u>8,411</u>	<u>1,558,326</u>
<b>Coroner</b>				
Professional services	3,000	3,000	-	1,100
Autopsy	7,500	6,500	1,000	5,000
Total	<u>10,500</u>	<u>9,500</u>	<u>1,000</u>	<u>6,100</u>
Total Public Safety	<u>6,083,740</u>	<u>5,757,512</u>	<u>326,228</u>	<u>6,049,951</u>
<b>Environmental Protection</b>				
<b>Soil and water conservation service</b>				
Salaries and employee benefits	90,801	89,949	852	81,649
Other operating expenditures	11,182	5,754	5,428	4,126
Total	<u>101,983</u>	<u>95,703</u>	<u>6,280</u>	<u>85,775</u>
Total Environmental Protection	<u>101,983</u>	<u>95,703</u>	<u>6,280</u>	<u>85,775</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Economic and Physical Development:				
Economic Development				
Other operating expenditures	52,476	24,021	28,455	-
Total	<u>52,476</u>	<u>24,021</u>	<u>28,455</u>	<u>-</u>
Extension Service				
Salaries and employee benefits	170,344	164,444	5,900	138,892
Other operating expenditures	44,020	38,177	5,843	27,669
Total	<u>214,364</u>	<u>202,621</u>	<u>11,743</u>	<u>166,561</u>
Planning Board				
Salaries and employee benefits	53,587	52,443	1,144	51,854
Other operating expenditures	14,391	7,181	7,210	11,392
Total	<u>67,978</u>	<u>59,624</u>	<u>8,354</u>	<u>63,246</u>
Total Economic and Physical Develop	<u>334,818</u>	<u>286,266</u>	<u>48,552</u>	<u>229,807</u>
Human services:				
Health				
Salaries and employee benefits	2,151,740	1,918,784	232,956	1,876,766
Other operating expenditures	724,054	556,221	167,833	756,845
Capital outlay	-	-	-	-
Total	<u>2,875,794</u>	<u>2,475,005</u>	<u>400,789</u>	<u>2,633,611</u>
Mental Health				
Alcohol rehabilitation	8,000	7,560	440	6,664
Alamance - Caswell Area Mental Health	115,061	115,061	-	115,061
Total	<u>123,061</u>	<u>122,621</u>	<u>440</u>	<u>121,725</u>
Animal control				
Salaries and employee benefits	75,103	75,101	2	73,711
Other operating expenditures	132,657	127,855	4,802	138,469
Total	<u>207,760</u>	<u>202,956</u>	<u>4,804</u>	<u>212,180</u>
Social Services Administration				
Salaries	2,204,691	2,068,985	135,706	2,035,175
Other operating expenditures	303,559	251,319	52,240	239,476
Capital outlay	114,764	108,842	5,922	110,791
Total	<u>2,623,014</u>	<u>2,429,146</u>	<u>193,868</u>	<u>2,385,442</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Purchased Services				
Day care services	431,590	415,382	16,208	416,988
Smart start-child daycare	110,616	107,170	3,446	104,304
State boarding home programs	79,492	38,710	40,782	20,038
E-funds	8,123	8,222	(99)	7,696
Total	<u>629,821</u>	<u>569,484</u>	<u>60,337</u>	<u>549,026</u>
JOBS				
Supportive Services	2,500	968	1,532	3,442
Total	<u>2,500</u>	<u>968</u>	<u>1,532</u>	<u>3,442</u>
Aid to families with dependent children				
Program payments	283,975	158,688	125,287	149,790
General Aid				
Program Payments	231,307	247,237	(15,930)	261,130
Medical assistance				
Program payments	10,000	2,068	7,932	2,270
Other count assistance				
Fuel emergencies	277,482	246,308	31,174	271,579
Total	<u>277,482</u>	<u>246,308</u>	<u>31,174</u>	<u>271,579</u>
Section 8 Housing Authority				
Salaries and employee benefits	118,669	118,665	4	127,170
Other operating expenditures	16,209	21,626	(5,417)	18,379
Housing assistance payments	892,805	854,289	38,516	858,363
Total	<u>1,027,683</u>	<u>994,580</u>	<u>33,103</u>	<u>1,003,912</u>
Nutrition program				
Salaries and employee benefits	195,814	195,020	794	188,622
Other operating expenditures	276,052	206,095	69,957	207,085
Total	<u>471,866</u>	<u>401,115</u>	<u>70,751</u>	<u>395,707</u>
Senior Center				
Other operating expenditures	180,226	159,989	20,237	120,554
Total	<u>180,226</u>	<u>159,989</u>	<u>20,237</u>	<u>120,554</u>
Best grant				
Salaries and employee benefits	-	-	-	6,642
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,642</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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
SHIP Grant				
Other operating expenditures	4,558	1,200	3,358	2,946
DJJDP				
Salaries and employee benefit	80,057	80,055	2	82,599
Other operating expenditures	27,769	23,361	4,408	21,390
Capital Outlay	-	-	-	-
Total	107,826	103,416	4,410	103,989
EDTAP/RGP	-	-	-	164,422
Family Services				
Salaries and employee benefits	134,932	204,605	(69,673)	102,882
Other operating expenditures	41,484	31,489	9,995	55,622
Total	176,416	236,094	(59,678)	158,504
Family Service/ Intervention				
Other operating expenditures	-	-	-	15,920
Total	-	-	-	15,920
Special appropriations				
Aging Program	267,000	177,826	89,174	221,264
Caswell Parish, INC	10,000	10,000	-	10,000
Cooperative Forestry	67,654	65,911	1,743	69,747
CCR&R partnership	3,000	3,000	-	3,000
Caswell Historical Society	2,500	2,500	-	2,500
Administration	15,000	15,543	(543)	10,066
Total	365,154	274,780	90,374	316,577
Total Human Services	9,598,443	8,625,655	972,788	8,879,368
Cultural and Recreational:				
Library				
Salaries and employee benefits	239,572	230,877	8,695	222,079
Other operating expenditures	80,023	97,405	(17,382)	42,453
Capital Outlay	6,300	-	6,300	30,257
Total	325,895	328,282	(2,387)	294,789
Recreation				
Salaries and employee benefits	125,758	115,757	10,001	112,974
Other operating expenditures	98,945	84,918	14,027	66,966
Total	224,703	200,675	24,028	179,940
Farmer Lake				
Salaries and employee benefits	39,206	39,202	4	38,144
Other operating expenditures	13,981	8,799	5,182	34,201
Capital Outlay	-	-	-	2,900
Total	53,187	48,001	5,186	75,245

**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, 2016**  
**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Other				
Art Council	2,500	2,500	-	2,500
Total Cultural and Recreational	<u>606,285</u>	<u>579,458</u>	<u>26,827</u>	<u>552,474</u>
Education:				
Public School				
Current Expense	2,469,413	2,469,413	-	2,469,413
Capital Outlay	300,000	300,000	-	300,000
Teacher Supplement	231,000	231,000	-	231,000
Teacher Signing Bonus	-	-	-	50,838
Piedmont Community College				
Current Expense	224,730	224,730	-	224,730
Capital Outlay	40,050	40,050	-	4,050
Total Education	<u>3,265,193</u>	<u>3,265,193</u>	<u>-</u>	<u>3,280,031</u>
Debt service:				
Principal	1,067,849	1,049,095	18,754	778,310
Interest payments	352,774	300,761	52,013	316,272
Debt issuance cost	-	950	(950)	-
Total debt service	<u>1,420,623</u>	<u>1,350,806</u>	<u>69,817</u>	<u>1,094,582</u>
Total expenditures	<u>24,588,785</u>	<u>22,998,308</u>	<u>1,590,477</u>	<u>22,758,189</u>
Revenue over (under) expenditures	<u>(1,162,203)</u>	<u>(108,601)</u>	<u>1,053,602</u>	<u>365,633</u>
Other financing sources (uses):				
Loan Proceeds	411,217	411,217	-	360,000
Transfers from other funds				
School Capital reserve fund	569,500	569,500	-	579,200
Emergency telephone system fund	55,565	55,565	-	55,565
Total	<u>625,065</u>	<u>625,065</u>	<u>-</u>	<u>634,765</u>
Transfers to other funds				
School capital reserve fund	(924,501)	(765,323)	159,178	(742,656)
Special fire districts fund	(31,500)	(31,500)	-	(31,500)
Emergency telephone system fund	-	-	-	(25,664)
Water and sewer fund	-	-	-	(15,199)
Revaluation fund	(30,000)	(30,000)	-	(30,000)
Total	<u>(986,001)</u>	<u>(826,823)</u>	<u>159,178</u>	<u>(845,019)</u>
Appropriated fund balance	<u>1,111,922</u>	<u>-</u>	<u>(1,111,922)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>1,162,203</u>	<u>209,459</u>	<u>(952,744)</u>	<u>149,746</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>100,858</u>	<u>\$ 100,858</u>	<u>515,379</u>

**Caswell County, North Carolina  
General Fund**

Exhibit B-1  
(continued)

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2016**

**With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Fund balance- July 1		7,150,747		6,635,368
Restatement of fund balance (see Note X)		7,572		-
Fund balance- June 30		\$ 7,259,177		\$ 7,150,747

**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, 2016**  
**With Comparative Actual Amounts for the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 300	\$ 225	\$ (75)	\$ 480
Total revenues	<u>300</u>	<u>225</u>	<u>(75)</u>	<u>480</u>
Expenditures:				
General government				
Revaluation of tax base	130,300	100,000	30,300	150,000
Revenues over (under) expenditures	<u>(130,000)</u>	<u>(99,775)</u>	<u>30,225</u>	<u>(149,520)</u>
<u>Other financing sources</u>				
Appropriated Fund Balance	100,000	-	(100,000)	-
Transfers from other funds				
General Fund	30,000	30,000	-	30,000
Emergency Telephone Fund	-	-	-	-
Total	<u>130,000</u>	<u>30,000</u>	<u>(100,000)</u>	<u>30,000</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures	<u>\$ -</u>	<u>(69,775)</u>	<u>\$ (69,775)</u>	<u>(119,520)</u>
Fund balance, beginning		<u>137,316</u>		<u>256,836</u>
Fund balance, ending		<u>\$ 67,541</u>		<u>\$ 137,316</u>

**Caswell County, North Carolina**  
**Capital Reserve Fund- School Capital Outlay**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2016**  
**With Comparative Actual Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b><u>REVENUES</u></b>				
Interest on Investments	\$ -	\$ 1,176	\$ 1,176	\$ 67
<b><u>EXPENDITURES</u></b>				
Reserve	184,661	-	184,661	-
Education	-	-	-	-
Total Expenditures	<u>184,661</u>	<u>-</u>	<u>184,661</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>(184,661)</u>	<u>1,176</u>	<u>185,837</u>	<u>67</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
General Fund	754,161	765,323	(11,162)	742,656
Transfers to other funds				
General Fund	(569,500)	(569,500)	-	(579,200)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>184,661</u>	<u>195,823</u>	<u>(11,162)</u>	<u>163,456</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>196,999</u>	<u>\$ 174,675</u>	<u>163,523</u>
<b>FUND BALANCE</b>				
Beginning of year- July 1		<u>440,090</u>		<u>276,567</u>
End of year- June 30		<u>\$ 637,089</u>		<u>\$ 440,090</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, 2016**  
**With Comparative Actual Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b><u>REVENUES</u></b>				
Ad valorem taxes	\$ 320,457	\$ 368,283	\$ 67,180	\$ 387,644
Other taxes				
Sales taxes	4,500	5,853	1,034	5,534
Total	<u>324,957</u>	<u>374,136</u>	<u>68,214</u>	<u>393,178</u>
<b><u>EXPENDITURES</u></b>				
Public Safety				
Sales tax distribution	4,500	5,315	-	5,477
Caswell Fire District	20,457	22,142	-	22,035
Travel	1,500	-	-	1,500
Aid to volunteer fire departments	250,000	250,000	-	250,000
Rescue operations	30,000	30,000	-	30,000
Fire tax balance	50,000	96,225	-	343,034
Total Expenditures	<u>356,457</u>	<u>403,682</u>	<u>-</u>	<u>652,046</u>
Revenues Over (Under) Expenditures	(31,500)	(29,546)	68,214	(258,868)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
General Fund	31,500	31,500	-	31,500
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>31,500</u>	<u>31,500</u>	<u>-</u>	<u>31,500</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	1,954	<u>\$ 68,214</u>	(227,368)
Beginning of year- July 1		<u>(1,303)</u>		<u>226,065</u>
End of year- June 30		<u>\$ 651</u>		<u>\$ (1,303)</u>

**Caswell County, North Carolina**  
**Courthouse HVAC Project**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Economic and physical development					
Courthouse HVAC					
Administration	74,000	-	50,248	50,248	23,752
Other Legal and Fiscal Cost	27,965	-	26,264	26,264	1,701
Other Tools and Equipment	-	-	1,891	1,891	(1,891)
Loan Origination	-	-	-	-	-
Construction Phase	883,035	-	-	-	883,035
Total	<u>985,000</u>	<u>-</u>	<u>78,403</u>	<u>78,403</u>	<u>906,597</u>
Revenues over (under) expenditures	<u>(985,000)</u>	<u>-</u>	<u>(78,403)</u>	<u>(78,403)</u>	<u>(906,597)</u>
Other Financing Sources (Uses)					
Loan Proceeds	<u>985,000</u>	<u>-</u>	<u>985,000</u>	<u>985,000</u>	<u>-</u>
Total other financing sources	<u>985,000</u>	<u>-</u>	<u>985,000</u>	<u>985,000</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 906,597</u>	<u>\$ 906,597</u>	<u>\$ (906,597)</u>

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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

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

## Capital Projects Funds

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

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

**Caswell County, North Carolina  
Non-Major Governmental Funds  
Combining Balance Sheet  
June 30, 2016**

	Special Revenue Fund			Capital Projects Funds								Total
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Water and Sewer Project	Scattered Grants Fund	County Building Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Detention Center Project Fund	
<b>ASSETS</b>												
Current Assets:												
Cash and cash equivalents	\$ 209,854	\$ 21,435	\$ 125,134	\$ 207	\$ -	\$ -	\$ 36,892	\$ 23,009	\$ -	\$ 16,973	\$ -	\$ 433,504
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	20,481	-	-	-	-	-	-	-	-	-	-	20,481
Total assets	<u>\$ 230,335</u>	<u>\$ 21,435</u>	<u>\$ 125,134</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,892</u>	<u>\$ 23,009</u>	<u>\$ -</u>	<u>\$ 16,973</u>	<u>\$ -</u>	<u>\$ 453,985</u>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	1,975	-	-	-	-	-	-	-	-	-	-	1,975
Due to other funds	-	-	-	-	12,932	5,922	-	-	426	-	22,294	41,574
Total liabilities	<u>1,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,932</u>	<u>5,922</u>	<u>-</u>	<u>-</u>	<u>426</u>	<u>-</u>	<u>22,294</u>	<u>43,549</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances:												
Restricted:												
Stabilization by State Statute	20,481	-	-	-	-	-	-	-	-	-	-	20,481
Public Safety	207,879	-	-	-	-	-	-	-	-	-	-	207,879
Economic Development	-	21,435	-	207	-	-	-	-	-	-	-	21,642
Human Services	-	-	-	-	-	-	-	-	-	16,973	-	16,973
Cultural and Recreational	-	-	-	-	-	-	-	23,009	-	-	-	23,009
General Government	-	-	125,134	-	-	-	36,892	-	-	-	-	162,026
Unassigned	-	-	-	-	(12,932)	(5,922)	-	-	(426)	-	(22,294)	(41,574)
Total fund balances	<u>228,360</u>	<u>21,435</u>	<u>125,134</u>	<u>207</u>	<u>(12,932)</u>	<u>(5,922)</u>	<u>36,892</u>	<u>23,009</u>	<u>(426)</u>	<u>16,973</u>	<u>(22,294)</u>	<u>410,436</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 230,335</u>	<u>\$ 21,435</u>	<u>\$ 125,134</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,892</u>	<u>\$ 23,009</u>	<u>\$ -</u>	<u>\$ 16,973</u>	<u>\$ -</u>	<u>\$ 453,985</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, 2016**

	Special Revenue Fund			Capital Projects Funds								Total
	Emergency Telephone System Fund	Revolving Loan Fund	Special Grant Fund	Water and Sewer Project Fund	Scattered Grants Fund	County Building Fund	Equipment and Automation Fund	Library Development Fund	School Capital Projects Fund	Senior Center Project Fund	Detention Center Project Fund	
<b>REVENUES</b>												
Restricted intergovernmental	\$ 245,776	\$ 28,500	\$ -	\$ -	\$ 99,620	\$ -	\$ -	\$ -	\$ 103,662	\$ -	\$ -	\$ 477,558
Investment earnings	394	-	19	-	-	-	50	42	-	-	-	505
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>246,170</u>	<u>28,500</u>	<u>19</u>	<u>-</u>	<u>99,620</u>	<u>-</u>	<u>50</u>	<u>42</u>	<u>103,662</u>	<u>-</u>	<u>-</u>	<u>478,063</u>
<b>EXPENDITURES</b>												
Public Safety	191,628	-	-	-	-	-	-	-	-	-	-	191,628
Economic Development	-	27,925	-	-	111,185	-	-	-	-	-	-	139,110
Education	-	-	-	-	-	-	-	-	103,662	-	-	103,662
Capital Outlay	-	-	-	-	-	1,495	-	-	-	-	-	1,495
Total expenditures	<u>191,628</u>	<u>27,925</u>	<u>-</u>	<u>-</u>	<u>111,185</u>	<u>1,495</u>	<u>-</u>	<u>-</u>	<u>103,662</u>	<u>-</u>	<u>-</u>	<u>435,895</u>
Revenues over (under) Expenditures	<u>54,542</u>	<u>575</u>	<u>19</u>	<u>-</u>	<u>(11,565)</u>	<u>(1,495)</u>	<u>50</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,168</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers- in												
General Fund	-	-	-	-	-	-	-	-	-	-	-	-
Transfers-out												
General Fund	(55,565)	-	-	-	-	-	-	-	-	-	-	(55,565)
Water and Sewer Fund	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(55,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,565)</u>
Change in Fund Balances	(1,023)	575	19	-	(11,565)	(1,495)	50	42	-	-	-	(13,397)
Fund Balance- July 1	<u>229,383</u>	<u>20,860</u>	<u>125,115</u>	<u>207</u>	<u>(1,367)</u>	<u>(4,427)</u>	<u>36,842</u>	<u>22,967</u>	<u>(426)</u>	<u>16,973</u>	<u>(22,294)</u>	<u>423,833</u>
Fund Balance- June 30	<u>\$ 228,360</u>	<u>\$ 21,435</u>	<u>\$ 125,134</u>	<u>\$ 207</u>	<u>\$ (12,932)</u>	<u>\$ (5,922)</u>	<u>\$ 36,892</u>	<u>\$ 23,009</u>	<u>\$ (426)</u>	<u>\$ 16,973</u>	<u>\$ (22,294)</u>	<u>\$ 410,436</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, 2016**  
**With Comparative Actual Amounts for the Year ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues:				
PSAP Funds	\$ 245,776	\$ 245,776	\$ -	\$ 214,652
Investment earnings	300	394	94	511
Total Revenues	246,076	246,170	94	215,163
<b><u>EXPENDITURES</u></b>				
Public Safety:				
Salaries	78,760	78,591	169	77,899
Telephone	18,640	17,778	862	16,136
Maintenance and repairs	25,600	47,850	(22,250)	50,695
Small tools/ equipment	27,700	7,464	20,236	21,946
Other expenses	66,300	17,957	48,343	9,117
Capital Outlay	43,331	21,988	21,343	4,504
Total	260,331	191,628	68,703	180,297
Total Expenditures	260,331	191,628	68,703	180,297
Revenues over (under) expenditures	(14,255)	54,542	68,797	34,866
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Fund balance appropriated	69,820	-	(69,820)	-
Transfers from other funds				
General Fund	-	-	-	25,664
Transfers to other funds				
General Fund	(55,565)	(55,565)	-	(55,565)
Total Other Financing Sources (uses)	14,255	(55,565)	(69,820)	(29,901)
Excess of Revenues and Other Sources Over (Under) Expenditures	\$ -	(1,023)	\$ (1,023)	4,965
Fund balance, beginning		229,383		224,418
Fund balance, ending		\$ 228,360		\$ 229,383

**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, 2016**  
**With Comparative Actual Amounts for the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
Explanation for transfers				
Transfers to adjust beginning balance to actual		\$ -		\$ 25,664
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	\$ (1,023)
Plus: Transfers from General Fund to adjust fund balance to the proper beginning balance	-
Net Change per PSAP Revenue- Expenditure Report	(1,023)
Beginning Balance, PSAP Revenue- Expenditure Report	229,383
Ending Balance, PSAP Revenue- Expenditure Report	\$ 228,360

**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, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues:				
USDA Rural Development Business Grant	\$ -	\$ -	\$ (150,000)	\$ -
Loan Repayment	-	28,500	15,000	15,000
Miscellaneous income	5,760	-	-	5,760
Total Revenues	<u>5,760</u>	<u>28,500</u>	<u>(135,000)</u>	<u>20,760</u>
<b><u>EXPENDITURES</u></b>				
Economic Development	<u>155,760</u>	<u>27,925</u>	<u>130,760</u>	<u>25,000</u>
Revenues over (under) expenditures	<u>150,000</u>	<u>575</u>	<u>(4,240)</u>	<u>(4,240)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ 150,000</u>	<u>575</u>	<u>\$ (4,240)</u>	<u>(4,240)</u>
<b>FUND BALANCE</b>				
Fund balance, beginning- July 1		<u>20,860</u>		<u>25,100</u>
Fund balance, ending - June 30		<u>\$ 21,435</u>		<u>\$ 20,860</u>

**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, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Restricted Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	19	19	159
Miscellaneous income	-	-	-	-
Total Revenues	-	19	19	159
<b><u>EXPENDITURES</u></b>				
General Government	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	19	19	159
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Total Other Financing Sources (uses)				
Water and Sewer Fund	-	-	-	(45,989)
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	(45,989)
Excess of Revenues and Other Sources over (under) Expenditures and other uses	\$ -	19	\$ 19	(45,830)
Fund balance, beginning- July 1		125,115		170,945
Fund balance, ending - June 30		\$ 125,134		\$ 125,115

**Caswell County, North Carolina**  
**Water and Sewer Capital Project Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2016**  
**With Comparative Actual Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b><u>REVENUES</u></b>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 354,842
Investment earnings	-	-	-	-
Total Revenues	-	-	-	354,842
<b><u>EXPENDITURES</u></b>				
Capital Outlay	-	-	-	429,138
Total Expenditures	-	-	-	429,138
Revenues Over (Under) Expenditures	-	-	-	(74,296)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds				
Special Grants Fund	-	-	-	45,989
General Fund	-	-	-	15,199
Appropriated fund balance	-	-	-	-
Total	-	-	-	61,188
Excess revenues and other sources over (under) expenditures and other uses	\$ -	-	\$ -	(13,108)
Beginning of year- July 1		207		13,315
End of year- June 30		\$ 207		\$ 207

**Caswell County, North Carolina**  
**Scattered Site Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
<b><u>REVENUES</u></b>					
Restricted intergovernmental					
Community Development Block Grant					
2011 Scattered Site	\$ 400,000	\$ 292,078	\$ -	\$ 292,078	\$ (107,922)
2010 Single Family Rehab	200,000	244,187	-	244,187	44,187
2013 Single Family Rehab	170,000	-	99,620	99,620	(70,380)
Investment earnings	-	102	-	102	102
Total Revenue	<u>770,000</u>	<u>536,367</u>	<u>99,620</u>	<u>635,987</u>	<u>(134,013)</u>
<b><u>EXPENDITURES</u></b>					
Economic and physical development					
Community development block grant					
2011 Scattered site					
Administration		19,854	-	19,854	
Rehabilitation		272,500	-	272,500	
Total	<u>400,000</u>	<u>292,354</u>	<u>-</u>	<u>292,354</u>	<u>107,646</u>
SFR					
Administration		38,357	-	38,357	
Rehabilitation		207,503	-	207,503	
Total	<u>200,000</u>	<u>245,860</u>	<u>-</u>	<u>245,860</u>	<u>(45,860)</u>
2013 Single Family Rehab					
Administration		-	1,700	1,700	
Rehabilitation		-	109,485	109,485	
Total	<u>170,000</u>	<u>-</u>	<u>111,185</u>	<u>111,185</u>	<u>58,815</u>
Total Expenditures	<u>770,000</u>	<u>538,214</u>	<u>111,185</u>	<u>649,399</u>	<u>120,601</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,847)</u>	<u>(11,565)</u>	<u>\$ (13,412)</u>	<u>\$ (13,412)</u>
Fund balance, beginning			<u>(1,367)</u>		
Fund balance, ending			<u>\$ (12,932)</u>		

**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, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Investments on earning	\$ -	\$ -	\$ -	\$ -
Sales and service	-	-	-	-
Miscellaneous	50,000	-	(50,000)	-
Total Revenues	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>				
Capital Outlay				
County Buildings	865,137	1,495	863,642	322
Revenues over (under) over expenditures	<u>(815,137)</u>	<u>(1,495)</u>	<u>813,642</u>	<u>(322)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds				
General Fund	815,137	-	(815,137)	-
Total other financing sources	<u>815,137</u>	<u>-</u>	<u>(815,137)</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(1,495)</u>	<u>\$ (322)</u>	<u>(322)</u>
Fund balance, beginning -July 1		<u>(4,427)</u>		<u>(4,105)</u>
Fund balance, ending- June 30		<u>\$ (5,922)</u>		<u>\$ (4,427)</u>

**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, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<u>REVENUES</u>				
Interest on investments	\$ -	\$ 50	\$ 50	\$ 74
<u>EXPENDITURES</u>				
General government				
Equipment	-	-	-	-
Revenues over (under) expenditures	-	50	50	74
<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>	50	<u>\$ -</u>	\$ 74
Fund balance, beginning		36,842		36,768
Fund balance, ending		<u>\$ 36,892</u>		<u>\$ 36,842</u>

**Caswell County, North Carolina**  
**Library Development Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**  
**With Comparative Actual Amounts For the Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Interest on Investments	\$ -	\$ 42	\$ 42	\$ 41
Miscellaneous	-	-	-	-
Total revenues	-	42	42	41
<b><u>EXPENDITURES</u></b>				
Cultural and recreational Library	-	-	-	27,748
Revenues over (under) expenditures	-	42	42	(27,707)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer from other funds General Fund	-	-	-	-
Total other financing sources	-	-	-	-
Excess revenues and other Sources Over (under) Expenditures and other uses	\$ -	42	\$ 42	(27,707)
Fund balance, beginning		22,967		50,674
Fund balance, ending		\$ 23,009		\$ 22,967

**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, 2016**  
**With Comparative Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b><u>REVENUES</u></b>				
Restricted intergovernmental Public School Building Capital Fund	\$ -	\$ 103,662	\$ 103,662	\$ -
<b><u>EXPENDITURES</u></b>				
Education	-	103,662	(103,662)	(207,324)
Revenues over (under) expenditures	-	-	-	207,324
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	-	-	-	-
Transfer from other funds				
General Fund	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund balance, beginning -July 1		(426)		(426)
Fund balance, ending- June 30		<u>\$ (426)</u>		<u>\$ (426)</u>

**Caswell County, North Carolina**  
**Senior Center Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**  
**With Comparative Amounts For The Year Ended June 30, 2015**

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

**Caswell County, North Carolina**  
**Detention Center Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**  
**With Comparative Amounts For The Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
<b>REVENUES</b>					
Restricted Intergovernmental	\$ 197,474	\$ 82,611	\$ -	\$ 82,611	\$ (114,863)
Interest on investments	17,578	17,712	-	17,712	134
Miscellaneous revenue	4,316	96,705	-	96,705	92,389
Total revenues	<u>219,368</u>	<u>197,028</u>	<u>-</u>	<u>197,028</u>	<u>(22,340)</u>
<b>EXPENDITURES</b>					
Capital outlay					
Administration & engineering fees	642,261	642,260	-	642,260	1
Construction Management	238,482	238,482	-	238,482	-
Construction Phase	7,663,470	7,663,430	-	7,663,430	40
Furnishing and equipment	336,215	336,215	-	336,215	-
Total	<u>8,880,428</u>	<u>8,880,387</u>	<u>-</u>	<u>8,880,387</u>	<u>41</u>
Bond issuance costs	79,965	79,965	-	79,965	-
Total Expenditures	<u>8,960,393</u>	<u>8,960,352</u>	<u>-</u>	<u>8,960,352</u>	<u>41</u>
Revenues over (under) expenditures	<u>(8,741,025)</u>	<u>(8,763,324)</u>	<u>-</u>	<u>(8,763,324)</u>	<u>(22,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from (to) General Fund					
General fund	594,971	594,971	-	594,971	-
General fund	(420,946)	(420,941)	-	(420,941)	5
Bonds issued	8,567,000	8,567,000	-	8,567,000	-
Total Other Financing Sources (Uses)	<u>8,741,025</u>	<u>8,741,030</u>	<u>-</u>	<u>8,741,030</u>	<u>5</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (22,294)</u>	<u>-</u>	<u>\$ (22,294)</u>	<u>\$ (22,294)</u>
Fund balance, beginning			<u>(22,294)</u>		
Fund balance, ending			<u>\$ (22,294)</u>		

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## ENTERPRISE FUNDS

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

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- **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, 2016**  
**With Comparative Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>REVENUES</b>				
Tire disposal tax		\$ 31,302		\$ 30,132
White goods disposal		8,029		7,589
Solid waste disposal tax		16,028		17,147
Charges for service - user fees		780,978		751,123
Tipping fees		79,805		82,324
Recycling		12,033		18,865
Interest on interfund loan		749		2,110
Interest on investments		445		664
Miscellaneous Revenue		673		-
Total Revenues	\$ 1,126,030	930,042	\$ (195,988)	909,954
<b>EXPENDITURES</b>				
Operations				
Salaries		104,355		117,767
Other expenses		698,815		685,534
Capital Outlay		647		211,998
Total expenditures	1,144,520	803,817	340,703	1,015,299
Revenues over (under) expenditures	(18,490)	126,225	144,715	(105,345)
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	-	-	-	-
Gain (loss) on sale of capital assets	4,000	(10,843)	(14,843)	-
Total other financing sources (uses)	4,000	(10,843)	(14,843)	-
Revenues over (under) sources and other uses	\$ (14,490)	\$ 115,382	\$ 129,872	\$ (105,345)
<b>RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		\$ 115,382		\$ (105,345)
Depreciation		(42,494)		(45,772)
Capital Outlay		-		211,998
Contributions to the pension plan in the current fiscal year		2,978		6,265
(Increase) decrease in accrued vacation payable		(1,706)		2,073
(Increase) decreased in other postemployment benefits		(3,077)		(3,196)
Pension Expense		(2,950)		(342)
Net income (loss)		\$ 68,133		\$ 65,681

**Caswell County, North Carolina**  
**Caswell Department of Transportation Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2016**  
**With Comparative Amounts For The Year Ended June 30, 2015**

	2016		Variance Positive (Negative)	2015
	Budget	Actual		Actual
<b>REVENUES</b>				
Changes for service- user fees	\$ 468,827	\$ 507,638	\$ 38,811	\$ 532,253
Interest on investment	200	300	100	448
Miscellaneous	-	-	-	-
Total Revenues	<u>469,027</u>	<u>507,938</u>	<u>38,911</u>	<u>532,701</u>
<b>EXPENDITURES</b>				
Administration				
Salaries	72,118	55,495	-	70,360
Other expenses	85,913	79,131	-	59,814
Total	<u>158,031</u>	<u>134,626</u>	<u>15,246</u>	<u>130,174</u>
Operations				
Salaries	166,429	181,534	-	174,628
Other expenses	108,641	60,409	-	79,569
Capital outlay	51,500	46,270	-	97,055
Total	<u>326,570</u>	<u>288,213</u>	<u>4,018</u>	<u>351,252</u>
Total expenditures	<u>484,601</u>	<u>422,839</u>	<u>19,264</u>	<u>481,426</u>
Revenues over (under) expenditures	<u>(15,574)</u>	<u>85,099</u>	<u>58,175</u>	<u>51,275</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Appropriated fund balance	-	-	-	-
Sale of capital assets	6,000	6,909	909	-
Total other financing sources (uses)	<u>6,000</u>	<u>6,909</u>	<u>909</u>	<u>-</u>
Revenues over (under) sources and other uses	<u>\$ (9,574)</u>	<u>\$ 92,008</u>	<u>\$ 59,084</u>	<u>\$ 51,275</u>
<b>RECONCILIATION FROM BUDGETARY BASIS ( MODIFIED ACCRUAL ) TO FULL ACCRUAL</b>				
Excess of revenues over (under) expenditures		92,008		51,275
Capital Outlay		46,270		97,055
Depreciation		(83,431)		(81,475)
Contributions to the pension plan in the current fiscal year		16,615		3,796
Book value of asset disposal		-		(2,899)
(Increase) decrease in accrued vacation payable		(1,146)		(542)
(Increase) decreased in other postemployment benefits		(5,391)		(6,960)
Pension Expense		(5,161)		(746)
Net income (loss)		<u>\$ 59,764</u>		<u>\$ 59,504</u>

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## AGENCY FUNDS

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

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

**Caswell County, North Carolina**  
**Agency Fund**  
**Combining Statement of Net Assets**  
**June 30, 2016**

	<u>Agency Fund</u>				<u>Total</u>
	<u>Social Service Fund</u>	<u>Drug Fund</u>	<u>Fines and Forfeitures &amp; DMV Interest Fund</u>	<u>Property Tax Fund</u>	<u>June 30, 2016</u>
<b>ASSETS</b>					
Cash	\$ 10,628	\$ 10,036	\$ -	\$ (12,459)	\$ 8,205
Accounts receivable	-	-	4,205	-	4,205
Total Assets	<u>\$ 10,628</u>	<u>\$ 10,036</u>	<u>\$ 4,205</u>	<u>\$ (12,459)</u>	<u>\$ 12,410</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>Liabilities:</b>					
Miscellaneous liabilities	<u>\$ 10,628</u>	<u>\$ 10,036</u>	<u>\$ 4,205</u>	<u>\$ (12,459)</u>	<u>\$ 12,410</u>
Total Liabilities	<u>\$ 10,628</u>	<u>\$ 10,036</u>	<u>\$ 4,205</u>	<u>\$ (12,459)</u>	<u>\$ 12,410</u>
<b>Net Position</b>					
Assets held in trust for beneficiary benef	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	<u>\$ 10,628</u>	<u>\$ 10,036</u>	<u>\$ 4,205</u>	<u>\$ (12,459)</u>	<u>\$ 12,410</u>

**Caswell County, North Carolina**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Agency Funds**  
**For the Year Ended June 30, 2016**

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u><b>Social Service Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 22,079	\$ 246,433	\$ 257,884	\$ 10,628
Liabilities				
Accounts Payable	\$ 22,079	\$ 246,433	\$ 257,884	\$ 10,628
<u><b>Drug Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 10,033	\$ 15,003	\$ 15,000	\$ 10,036
Liabilities				
Miscellaneous Liabilities	\$ 10,033	\$ 15,003	\$ 15,000	\$ 10,036
<u><b>Fines and Forfeitures and Floodplain Mapping Fund</b></u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	2,828	76,104	74,727	4,205
Total	\$ 2,828	\$ 76,104	\$ 74,727	\$ 4,205
Liabilities				
Fines for Forfeitures due to others	\$ 2,828	\$ 63,189	\$ 61,812	\$ 4,205
Floodplain mapping fees due to others	-	7,103	7,103	-
ROD deed of trust fees due to others	-	2,583	2,583	-
Archives/Cultural fees due to others	-	3,229	3,229	-
Total	\$ 2,828	\$ 76,104	\$ 74,727	\$ 4,205
<u><b>Property Tax Agency Fund</b></u>				
Assets				
Cash and cash equivalents	\$ 5,500	\$ 393,286	\$ 411,245	\$ (12,459)
Liabilities				
Intergovernmental payable	\$ 5,500	\$ 393,286	\$ 411,245	\$ (12,459)
<u><b>Total- All Agency Funds</b></u>				
Assets				
Cash and cash equivalents	\$ 37,612	\$ 654,722	\$ 684,129	\$ 8,205
Accounts Receivable	2,828	76,104	74,727	4,205
Total Assets	\$ 40,440	\$ 730,826	\$ 758,856	\$ 12,410
Liabilities				
Accounts payable	\$ 32,112	\$ 261,436	\$ 272,884	\$ 20,664
Intergovernmental Payable	8,328	469,390	485,972	(8,254)
Total Liabilities	\$ 40,440	\$ 730,826	\$ 758,856	\$ 12,410

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## OTHER SCHEDULES

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This schedule contains additional information required on property taxes.

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

**Caswell County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2016**

Exhibit F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2016	\$ -	\$ 10,688,558	\$ 10,495,318	\$ 193,240
2015	218,713	2,178	94,256	126,635
2014	143,215	2,154	36,835	108,534
2013	109,926	1,985	22,127	89,784
2012	93,161	36	18,792	74,405
2011	77,243	25	12,166	65,102
2010	54,211	-	7,002	47,209
2009	47,307	-	5,046	42,261
2008	48,780	-	4,808	43,972
2007	39,284	-	3,447	35,837
2006	28,461	-	28,461	-
<b>Totals</b>	<b>\$ <u>860,301</u></b>	<b>\$ <u>10,694,936</u></b>	<b>\$ <u>10,728,258</u></b>	<b>\$ <u>826,979</u></b>
				<u>(423,000)</u>
				<b>\$ <u>403,979</u></b>
 <b><u>Reconciliation with revenues:</u></b>				
			\$ 10,737,866	
			<u>16,019</u>	
				\$ 10,753,885
				<u>(25,627)</u>
				<b>\$ <u>10,728,258</u></b>

**Caswell County**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**June 30, 2016**

	County Wide				
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy County- Wide	\$ 1,574,986,451	0.679	\$ 10,694,158	\$ 9,592,571	\$ 1,101,587
Discoveries and Abatements	(600,008)	0.679	(5,600)	(5,600)	-
Total Property Valuation	<u>\$ 1,574,386,443</u>				
Net Levy			10,688,558	9,586,971	1,101,587
Uncollected taxes June 30, 2016			193,240	193,240	-
Current years taxes collected			<u>\$ 10,495,318</u>	<u>\$ 9,393,731</u>	<u>\$ 1,101,587</u>
Current levy collection percentage			<u>98.19%</u>	<u>97.98%</u>	<u>100.00%</u>

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# STATISTICAL SECTION

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## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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



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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 10,325,745	\$ 11,215,747	\$ 12,410,816	\$ 12,739,104	\$ 13,347,778	\$ 10,089,638	\$ 14,660,932	\$ 15,272,072	\$ 14,934,637	\$ 13,399,966
Restricted	25,113	11,089	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907
Unrestricted	3,006,291	4,388,487	4,248,895	5,143,018	3,132,651	4,134,622	2,737,716	2,594,371	2,003,197	2,444,131
Total governmental activities net position	<u>13,357,149</u>	<u>15,615,323</u>	<u>16,659,711</u>	<u>17,909,203</u>	<u>19,232,451</u>	<u>20,927,756</u>	<u>20,777,708</u>	<u>20,667,741</u>	<u>20,053,860</u>	<u>19,464,004</u>
Business-type activities										
Invested in capital assets, net of related debt	413,140	399,746	342,495	289,050	363,093	497,458	549,559	618,427	790,029	699,530
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,062,526	1,207,368	1,327,084	1,448,996	1,409,580	1,235,478	1,261,232	1,140,117	945,764	1,164,160
Total business-type activities net position	<u>1,475,666</u>	<u>1,607,114</u>	<u>1,669,579</u>	<u>1,738,046</u>	<u>1,772,673</u>	<u>1,732,936</u>	<u>1,810,791</u>	<u>1,758,544</u>	<u>1,735,793</u>	<u>1,863,690</u>
Primary government										
Invested in capital assets, net of related debt	10,738,885	11,615,493	12,753,311	13,028,154	13,710,871	10,587,096	15,210,491	15,890,499	15,724,666	14,099,496
Restricted	25,113	11,089	-	27,081	2,752,022	6,703,496	3,379,060	2,801,298	3,116,026	3,619,907
Unrestricted	4,068,817	5,595,855	5,575,979	6,592,014	4,542,231	5,370,100	3,998,948	3,734,488	2,948,961	3,608,291
Total primary government net position	<u>\$ 14,832,815</u>	<u>\$ 17,222,437</u>	<u>\$ 18,329,290</u>	<u>\$ 19,647,249</u>	<u>\$ 21,005,124</u>	<u>\$ 22,660,692</u>	<u>\$ 22,588,499</u>	<u>\$ 22,426,285</u>	<u>\$ 21,789,653</u>	<u>\$ 21,327,694</u>

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

Expenses	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
General government	\$ 2,716,518	\$ 2,606,514	\$ 2,750,326	\$ 2,369,681	\$ 2,605,238	\$ 2,558,821	\$ 2,776,985	\$ 2,898,539	\$ 2,813,150	\$ 3,062,487
Public safety	4,604,607	4,664,353	5,167,360	5,337,280	5,226,796	5,421,247	5,895,526	6,364,755	7,244,842	7,153,742
Economic development	617,287	481,559	662,332	719,660	444,511	473,281	551,766	831,474	420,330	489,906
Environmental Protection	72,421	73,994	76,770	106,290	92,111	83,539	85,682	85,876	83,689	92,390
Transportation	-	-	2,236	-	-	-	-	-	-	-
Human Services	10,380,813	10,158,848	9,553,228	9,004,764	8,989,125	9,327,818	9,031,116	9,236,361	8,832,869	8,552,167
Cultural and recreation	663,739	698,931	675,516	662,422	689,813	577,194	677,478	789,275	727,816	695,974
Education	3,072,620	3,192,066	3,592,260	3,544,945	3,169,626	3,018,673	3,048,723	3,056,549	3,277,785	3,368,855
Interest on long-term debt	308,200	276,522	239,484	200,573	110,621	314,061	531,384	148,815	308,194	314,513
Total governmental activities expenses	<u>22,436,205</u>	<u>22,152,787</u>	<u>22,719,512</u>	<u>21,945,615</u>	<u>21,327,841</u>	<u>21,774,634</u>	<u>22,598,660</u>	<u>23,411,644</u>	<u>23,708,675</u>	<u>23,730,034</u>
<b>Business-type activities</b>										
Solid Waste	775,226	782,428	807,436	789,064	826,414	834,262	817,753	881,886	844,273	851,066
Transportation	377,872	428,649	401,871	394,927	430,931	403,303	459,391	459,614	473,197	455,083
Total business-type activities	<u>1,153,098</u>	<u>1,211,077</u>	<u>1,209,307</u>	<u>1,183,991</u>	<u>1,257,345</u>	<u>1,237,565</u>	<u>1,277,144</u>	<u>1,341,500</u>	<u>1,317,470</u>	<u>1,306,149</u>
Total primary government expenses	<u>23,589,303</u>	<u>23,363,864</u>	<u>23,928,819</u>	<u>23,129,606</u>	<u>22,585,186</u>	<u>23,012,199</u>	<u>23,875,804</u>	<u>24,753,144</u>	<u>25,026,145</u>	<u>25,036,183</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	295,295	325,096	252,292	243,523	197,907	277,159	225,038	242,258	231,546	505,440
Public Safety	907,701	876,492	1,380,862	1,274,872	1,272,583	924,296	1,183,729	985,080	1,598,840	1,181,754
Transportation	-	-	-	-	-	-	-	-	22,553	-
Economic and Physical Development	29,188	25,738	19,215	23,170	10,066	20,721	25,086	16,409	16,094	31,980
Environmental Protection	-	-	-	-	-	-	-	-	69,117	-
Human Services	1,210,071	1,573,848	1,395,632	1,612,554	1,372,572	1,319,114	1,165,352	1,301,949	1,074,538	882,500
Cultural and recreation	58,825	64,433	70,005	88,032	70,393	75,779	68,864	69,643	78,807	71,747
Education	82,432	82,432	82,432	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions										
General government	-	80,995	15,518	42	8,721	4,789	3,750	1,250	7,794	-
Public Safety	208,486	313,673	522,855	363,782	500,924	444,248	339,088	470,173	689,838	1,021,213
Environmental Protection	12,499	-	-	-	-	-	-	-	-	24,557
Economic and Physical Development	75,053	20,485	19,041	93,579	19,918	25,109	22,058	92,927	20,959	148,852
Human Services	5,874,434	5,827,482	5,781,256	5,750,578	5,876,146	6,037,956	5,777,624	5,309,671	5,399,652	5,099,853
Transportation	-	-	-	-	-	-	-	-	-	122,916
Cultural and recreation	143,141	133,327	127,377	124,699	150,545	135,628	132,199	116,508	142,574	158,459
Education	-	-	-	82,432	164,864	82,432	82,432	82,432	-	-
Capital grants and contributions										
General government	194,810	-	8,325	-	-	-	-	-	-	-
Public Safety	-	-	29,800	-	-	-	-	-	82,611	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic and Physical Development	334,436	228,023	595,190	857,756	153,822	773,919	253,429	529,754	483,591	-
Human Services	2,000,000	-	-	-	-	-	-	-	-	-
Education	-	-	-	291,323	-	-	-	-	-	103,662
Total governmental activities program revenues	<u>11,426,371</u>	<u>9,552,024</u>	<u>10,299,800</u>	<u>10,806,342</u>	<u>9,798,461</u>	<u>10,121,150</u>	<u>9,278,649</u>	<u>9,218,054</u>	<u>9,918,514</u>	<u>9,352,933</u>

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

	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities										
Charges for services:										
Solid Waste	811,321	811,217	812,476	835,368	846,978	845,324	837,362	830,230	852,312	872,816
CDOT	424,831	453,936	388,635	340,729	382,325	393,643	449,817	414,671	532,253	507,638
Operating grants and contributions										
Solid Waste	35,484	35,492	43,979							
Total business-type activities program revenues	<u>1,271,636</u>	<u>1,300,645</u>	<u>1,245,090</u>	<u>1,176,097</u>	<u>1,229,303</u>	<u>1,238,967</u>	<u>1,287,179</u>	<u>1,244,901</u>	<u>1,384,565</u>	<u>1,380,454</u>
Total primary government program revenues	<u>12,698,007</u>	<u>10,852,669</u>	<u>11,544,890</u>	<u>11,982,439</u>	<u>11,027,764</u>	<u>11,360,117</u>	<u>10,565,828</u>	<u>10,462,955</u>	<u>11,303,079</u>	<u>10,733,387</u>
Net (expenses)/revenue										
Governmental activities	(11,009,834)	(12,600,763)	(12,419,712)	(11,139,273)	(11,529,380)	(11,653,484)	(13,320,011)	(14,193,590)	(13,790,161)	(14,377,101)
Business-type activities	118,538	89,568	35,783	(7,894)	(28,042)	1,402	10,035	(96,599)	67,095	74,305
Total primary government net expenses	<u>(10,891,296)</u>	<u>(12,511,195)</u>	<u>(12,383,929)</u>	<u>(11,147,167)</u>	<u>(11,557,422)</u>	<u>(11,652,082)</u>	<u>(13,309,976)</u>	<u>(14,290,189)</u>	<u>(13,723,066)</u>	<u>(14,302,796)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	8,809,848	9,453,260	9,136,526	9,533,263	9,944,802	10,008,923	9,848,060	10,753,510	11,081,330	10,827,712
Local option sales taxes	4,049,329	4,035,897	3,353,873	2,299,932	2,150,040	2,314,067	2,654,274	2,387,229	2,942,423	2,586,659
Other taxes and licenses	489,292	726,145	361,918	362,558	480,200	591,422	357,492	554,097	116,643	444,948
Grants & Contributions, unrestricted	251,752	233,650	248,064	185,470	256,218	200,362	192,202	211,981	-	-
Investment earnings, unrestricted	225,712	294,289	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445
Miscellaneous, unrestricted	188,703	115,696	66,124	(11,725)	2,910	112,664	226,520	173,294	102,290	(98,091)
Transfers	-	-	-	(12,500)	-	100,000	-	-	-	-
Total governmental activities	<u>14,014,636</u>	<u>14,858,937</u>	<u>13,285,467</u>	<u>12,388,765</u>	<u>12,852,628</u>	<u>13,348,789</u>	<u>13,290,876</u>	<u>14,083,623</u>	<u>14,245,545</u>	<u>13,779,673</u>
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	55,359
Investment earnings, unrestricted	28,825	28,132	17,991	10,715	10,144	4,753	2,144	4,203	3,222	1,494
Miscellaneous, unrestricted	-	13,748	8,691	14,520	-	33	14,864	(11,324)	-	(3,261)
Transfers	-	-	-	-	-	(100,000)	-	-	-	-
Total business-type activities	<u>28,825</u>	<u>41,880</u>	<u>26,682</u>	<u>25,235</u>	<u>10,144</u>	<u>(95,214)</u>	<u>17,008</u>	<u>(7,121)</u>	<u>3,222</u>	<u>53,592</u>
Total primary government	<u>14,043,461</u>	<u>14,900,817</u>	<u>13,312,149</u>	<u>12,414,000</u>	<u>12,862,772</u>	<u>13,253,575</u>	<u>13,307,884</u>	<u>14,076,502</u>	<u>14,248,767</u>	<u>13,833,265</u>
<b>Changes in Net Position</b>										
Governmental activities	3,004,802	2,258,174	865,755	1,249,492	1,323,248	1,695,305	(29,135)	(109,967)	455,384	(597,428)
Business-type activities	147,363	131,448	62,465	68,467	34,627	(39,737)	77,856	(52,246)	125,185	127,897
Total primary government	<u>\$ 3,152,165</u>	<u>\$ 2,389,622</u>	<u>\$ 928,220</u>	<u>\$ 1,317,959</u>	<u>\$ 1,357,875</u>	<u>\$ 1,655,568</u>	<u>\$ 48,721</u>	<u>\$ (162,213)</u>	<u>\$ 580,569</u>	<u>\$ (469,531)</u>

TABLE 3

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Motor Fuel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2007	\$ 8,809,848	\$ 4,049,329	\$ 489,292	\$ 45,034	\$ 7,418	\$ 13,400,921
2008	9,453,260	4,035,897	726,145	19,099	7,614	14,242,015
2009	9,136,526	3,353,873	345,282	8,759	7,877	12,852,317
2010	9,533,263	2,299,932	354,639	315	7,604	12,195,753
2011	9,944,802	2,150,040	480,200	408	7,337	12,582,787
2012	10,008,923	2,314,067	591,422	138	7,511	12,922,061
2013	9,848,060	2,654,274	357,492	8,543	8,016	12,876,385
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

TABLE 4

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

	Fiscal Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved by state statute	\$ 1,385,915	\$ 1,408,865	\$ 1,641,218	\$ 1,651,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	27,175	24,272	24,069	-	-	-	-	-	-	-
Encumbrances	18,679	72,485	44,181	62,274	-	-	-	-	-	-
Register of Deeds	25,113	11,089	-	27,081	-	-	-	-	-	-
Unreserved										
Undesignated	2,177,880	3,309,488	3,315,956	4,115,211	-	-	-	-	-	-
Designated for subsequent years' expenditures	40,817	43,670	539,317	308,289	-	-	-	-	-	-
Nonspendable										
Prepaid	-	-	-	-	-	-	12,475	-	-	-
Restricted										
Stabilization by State Statute	-	-	-	-	1,269,072	1,469,856	1,595,257	1,712,451	1,867,664	1,581,662
Register of Deeds	-	-	-	-	35,577	30,377	30,474	29,772	32,464	41,509
Education	-	-	-	-	19,259	149,264	201,502	276,567	440,090	637,089
Committed										
Tax Revaluation	-	-	-	-	160,852	196,012	226,509	256,836	137,316	67,541
LEO Separation	-	-	-	-	-	-	-	-	-	24,991
Assigned										
Subsequent year's expenditure	-	-	-	-	621,682	414,756	370,928	665,051	1,075,599	1,455,860
Unassigned	-	-	-	-	4,512,319	5,532,909	5,409,506	4,228,094	4,175,020	4,155,155
Total general fund	<u>\$ 3,675,579</u>	<u>\$ 4,869,869</u>	<u>\$ 5,564,741</u>	<u>\$ 6,164,409</u>	<u>\$ 6,618,761</u>	<u>\$ 7,793,174</u>	<u>\$ 7,846,651</u>	<u>\$ 7,168,771</u>	<u>\$ 7,728,153</u>	<u>\$ 7,963,807</u>
All other governmental funds										
Reserved by state statute	\$ 318,825	\$ 316,936	\$ 235,825	\$ 91,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved For										
Inventory	-	-	-	-	-	-	-	-	-	-
Encumbrances	4,140	-	2,095	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:										
Designated for subsequent year's expenditures	-	-	74,262	423,354	-	-	-	-	-	-
Undesignated										
Special revenue funds	1,231,133	1,220,027	1,186,846	724,071	-	-	-	-	-	-
Capital projects funds	2,061,444	1,245,731	352,207	446,287	-	-	-	-	-	-
Restricted										
Stabilization by State Statute	-	-	-	-	22,861	18,290	128,073	68,312	341,556	21,521
General Government	-	-	-	-	203,731	632,216	377,450	207,713	161,957	162,026
Public Safety	-	-	-	-	841,699	4,185,359	918,343	400,421	211,495	207,879
Economic Development	-	-	-	-	238,387	150,843	26,219	38,415	20,860	928,239
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
Unassigned	-	-	-	-	(5,794)	(426)	(51,600)	(128,923)	(353,278)	(41,963)
Total all other governmental funds	<u>\$ 3,615,542</u>	<u>\$ 2,782,694</u>	<u>\$ 1,851,235</u>	<u>\$ 1,685,591</u>	<u>\$ 1,422,320</u>	<u>\$ 5,053,573</u>	<u>\$ 1,465,883</u>	<u>\$ 653,585</u>	<u>\$ 422,530</u>	<u>\$ 1,317,684</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>										
Ad Valorem taxes	\$ 8,845,456	\$ 9,152,289	\$ 9,487,847	\$ 9,497,206	\$ 9,921,103	\$ 10,048,226	\$ 10,049,512	\$ 10,870,478	\$ 11,222,217	\$ 11,242,002
Other taxes and licenses	3,303,360	3,532,946	2,608,389	1,945,673	2,045,832	2,278,282	2,377,261	2,292,509	2,403,524	2,158,840
Unrestricted Intergovernmental	251,752	233,650	248,064	185,470	256,218	200,362	192,202	211,981	208,313	187,397
Restricted Intergovernmental	10,276,536	8,010,639	8,540,095	8,620,865	7,662,996	8,234,402	7,259,181	7,201,567	7,125,955	7,496,631
Permits and fees	543,220	532,070	464,882	457,005	372,551	454,451	461,549	505,090	813,963	715,428
Sales and services	1,988,158	2,217,279	2,343,959	2,412,776	2,211,776	1,994,210	2,103,642	2,093,186	2,399,907	1,826,244
Investment earnings	225,712	294,289	118,962	31,767	18,458	21,351	12,328	3,512	2,859	18,445
Miscellaneous	143,566	145,409	94,580	80,603	153,182	177,958	315,302	242,391	128,208	98,320
Total Revenues	<u>25,577,760</u>	<u>24,118,571</u>	<u>23,906,778</u>	<u>23,231,365</u>	<u>22,642,116</u>	<u>23,409,242</u>	<u>22,770,977</u>	<u>23,420,714</u>	<u>24,304,946</u>	<u>23,743,307</u>
<b>Expenditures</b>										
Current:										
General government	2,803,416	2,475,636	2,599,753	2,416,327	2,468,431	2,420,079	2,538,192	2,741,452	2,736,201	3,137,715
Public safety	4,346,784	4,923,453	5,009,197	5,093,273	5,243,023	5,538,007	5,788,594	6,663,462	6,882,294	6,352,822
Environmental protection	72,421	73,994	76,770	77,957	91,359	82,372	84,601	84,767	85,775	95,703
Economic and physical development	603,732	462,784	637,715	646,353	433,037	445,626	526,691	484,949	368,686	425,376
Human Services	10,293,605	10,131,519	9,469,557	8,879,535	8,882,518	9,251,869	9,169,801	8,950,156	8,879,368	8,625,655
Culture and recreation	549,946	574,047	557,241	541,811	550,408	534,461	529,239	785,085	552,474	579,458
Intergovernmental:										
Education	3,071,899	3,191,959	3,592,260	3,544,272	3,169,266	3,018,865	3,048,865	2,998,193	3,280,031	3,368,855
Capital outlay	11,189	901,238	1,098,705	419,269	518,744	5,208,454	2,787,180	1,292,156	457,208	79,898
Debt service:										
Principal	1,105,318	1,042,584	1,027,265	962,163	970,480	465,194	628,848	916,535	778,310	1,049,095
Interest and other charges	311,274	286,915	253,535	264,141	98,749	305,469	349,579	336,617	316,272	301,711
Total expenditures	<u>23,169,584</u>	<u>24,064,129</u>	<u>24,321,998</u>	<u>22,845,101</u>	<u>22,426,015</u>	<u>27,270,396</u>	<u>25,451,590</u>	<u>25,253,372</u>	<u>24,336,619</u>	<u>24,016,288</u>
Excess of revenues over (under) expenditures	2,408,176	54,442	(415,220)	386,264	215,901	(3,861,154)	(3,680,613)	(1,832,658)	(31,673)	(272,981)
<b>Other financing sources (uses)</b>										
Transfers in from other funds	2,255,189	2,840,128	2,374,894	1,814,362	498,669	1,700,303	85,137	430,629	173,917	1,420,388
Transfers out to other funds	(2,255,189)	(2,840,128)	(2,374,894)	(1,826,862)	(523,669)	(1,600,303)	(85,137)	(430,629)	(173,917)	(1,420,388)
Proceeds from the issuance of debt	208,001	307,000	-	2,560,000	-	8,567,000	146,400	342,480	360,000	1,396,217
Premium on debt	-	-	-	19,468	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(2,519,208)	-	-	-	-	-	-
Total other financing sources (uses)	<u>208,001</u>	<u>307,000</u>	<u>-</u>	<u>47,760</u>	<u>(25,000)</u>	<u>8,667,000</u>	<u>146,400</u>	<u>342,480</u>	<u>360,000</u>	<u>1,396,217</u>
Net change in fund balances	<u>\$ 2,616,177</u>	<u>\$ 361,442</u>	<u>\$ (415,220)</u>	<u>\$ 434,024</u>	<u>\$ 190,901</u>	<u>\$ 4,805,846</u>	<u>\$ (3,534,213)</u>	<u>\$ (1,490,178)</u>	<u>\$ 328,327</u>	<u>\$ 1,123,236</u>
Debt service as a percentage of noncapital expenditu	6.18%	5.88%	5.61%	5.52%	4.98%	3.60%	4.44%	5.33%	4.69%	5.79%

TABLE 6

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

<b>Fiscal Year Ended June 30</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Motor Vehicles</b>	<b>Plus Discoveries</b>	<b>Less Abatements</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2007	\$ 1,241,366,794	\$ 62,554,833	\$ -	\$ (5,667,569)	\$ 1,298,254,058	0.6450
2008*	1,268,019,940	57,787,907	-	(4,698,065)	1,321,109,782	0.6720
2009	1,413,876,471	58,244,940	-	(10,633,704)	1,461,487,707	0.6290
2010	1,427,782,014	56,869,634	-	(14,220,984)	1,470,430,664	0.6290
2011	1,356,449,165	52,254,518	62,225,646	-	1,470,929,329	0.6590
2012*	1,363,246,889	119,266,464	747,800	-	1,483,261,153	0.6590
2013	1,370,285,585	125,098,179	9,294,082	-	1,504,677,846	0.6590
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

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

Source: Caswell County Tax Department

TABLE 7

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

<b>Tax Year</b>	<b>Caswell County</b>	<b>Town of Yanceyville</b>
2007	0.672	0.300
2008	0.672	0.340
2009	0.629	0.330
2010	0.629	0.330
2011	0.659	0.330
2012	0.659	0.330
2013	0.659	0.330
2014	0.659	0.330
2015	0.679	0.330
2016	0.679	0.330

Source: Caswell County Tax Department and the Town of Yanceyville

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

TABLE 8

**CASWELL COUNTY, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**JUNE 30, 2016 AND TEN YEARS AGO**  
(UNAUDITED)

Taxpayer	2016			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress, Inc	\$ 19,414,514	1	1.24%	-	-	0.00%
Duke Energy Carolinas, Inc	18,095,140	2	1.16%	-	-	0.00%
EMC Piedmont	11,718,817	3	0.75%	7,181,017	4	0.53%
Thompson Trucking Inc	7,000,000	4	0.45%	-	-	0.00%
NC4 Caswell LLC	6,994,007	5	0.45%	-	-	0.00%
Norfolk Southern	6,131,658	6	0.39%	3,488,600	7	0.00%
Southside Materials LLC	5,291,591	7	0.34%	-	-	0.28%
Southside Realty Investments	3,596,411	8	0.23%	-	-	0.00%
Public Service Co of NC Inc	3,137,761	9	0.20%	-	-	0.00%
SMV Yanceyville LLC	3,127,691	10	0.20%	-	-	0.00%
Duke Energy Corp	-	-	0.00%	9,126,918	1	0.70%
BellSouth Telephone Co	-	-	0.00%	7,425,558	3	0.58%
Burlington Industries	-	-	0.00%	4,406,833	6	0.54%
Carolina Power & Light	-	-	0.00%	8,446,492	2	0.53%
Central Telephone Co	-	-	0.00%	5,216,978	5	0.47%
Vulcan Land, Inc	-	-	0.00%	3,270,567	9	0.28%
Carpediem West LLC	-	-	0.00%	3,298,392	8	0.26%
Caswell Pines Golf Co	-	-	0.00%	3,006,868	10	0.24%
<b>Totals</b>	<b>\$ 84,507,591</b>		<b>5.40%</b>	<b>\$ 54,868,223</b>		<b>4.42%</b>

TABLE 9

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

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2007	\$ 8,345,589	\$ 7,965,340	95.44%	\$ 7,287	\$ 7,965,340	95.44%
2008	8,862,255	8,456,367	95.42%	10,700	8,467,067	95.54%
2009	9,217,803	8,850,355	96.01%	12,851	8,863,206	96.15%
2010	9,249,009	8,855,999	95.75%	345,801	9,201,800	99.49%
2011	9,298,541	8,893,686	95.65%	271,976	9,165,662	98.57%
2012	9,774,691	9,421,720	96.39%	278,602	9,700,322	99.24%
2013	9,915,827	9,557,555	96.39%	270,473	9,828,028	99.11%
2014	10,359,249	10,076,281	97.27%	176,588	10,252,869	98.97%
2015	10,892,134	10,673,421	97.99%	94,256	10,767,677	98.86%
2016	10,688,558	10,495,318	98.19%	-	10,495,318	98.19%

TABLE 10

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Private Placement Bonds</b>	<b>Installment Obligations</b>	<b>Capital Leases</b>			
2007	\$ 4,985,000	\$ -	\$ 1,350,297	\$ 17,056	\$ 6,352,353	10.23%	N/A
2008	4,275,000	-	1,335,365	6,404	5,616,769	12.10%	N/A
2009	3,580,000	-	1,009,503	-	4,589,503	N/A	N/A
2010	2,990,000	-	722,340	-	3,712,340	N/A	N/A
2011	2,285,000	-	456,860	-	2,741,860	N/A	N/A
2012	2,045,928	8,567,000	246,666	-	10,859,594	N/A	N/A
2013	1,794,159	8,342,000	239,218	-	10,375,377	N/A	N/A
2014	1,547,389	7,892,000	87,814	272,349	9,799,552	N/A	N/A
2015	1,310,619	7,442,000	419,152	207,701	9,379,472	N/A	N/A
2016	1,078,849	6,889,000	1,616,163	140,812	9,724,824	N/A	N/A

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

N/A Information not available for this period.

TABLE 11

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2007	\$ 5,715,000	7.67	0.45%	242.95
2008	4,985,000	6.29	0.38%	212.52
2009	4,275,000	N/A	0.24%	176.19
2010	3,580,000	N/A	N/A	153.63
2011	2,990,000	N/A	N/A	126.76
2012	2,045,928	N/A	N/A	86.26
2013	1,794,159	N/A	N/A	75.64
2014	1,547,389	N/A	N/A	65.24
2015	1,310,619	N/A	N/A	55.26
2016	1,078,849	N/A	N/A	47.03

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

N/A Information not available for this period.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed value	\$ 1,298,254,058	\$ 1,321,109,782	\$ 1,461,487,707	\$ 1,470,430,664	\$ 1,470,929,329	\$ 1,483,261,154	\$ 1,504,677,846	\$ 1,571,964,947	\$ 1,604,143,446	\$ 1,574,386,443
Debt limit (8% of total assessed value)	103,860,325	105,688,783	116,919,017	117,634,453	117,674,346	118,660,892	120,374,228	125,757,196	128,331,476	125,950,915
Debt applicable to limit:										
Total general obligation bonds	4,985,000	4,275,000	3,580,000	2,990,000	2,285,000	10,612,928	10,136,159	9,439,389	8,752,619	7,967,849
Total installment payments	1,350,297	1,335,365	1,009,503	722,340	456,860	246,666	239,218	87,814	419,152	1,616,163
Total capital leases	17,056	6,404	-					272,349	207,701	140,812
Total debt applicable to limitations	<u>6,352,353</u>	<u>5,616,769</u>	<u>4,589,503</u>	<u>3,712,340</u>	<u>2,741,860</u>	<u>10,859,594</u>	<u>10,375,377</u>	<u>9,799,552</u>	<u>9,379,472</u>	<u>9,724,824</u>
Legal debt margin	<u>\$ 97,507,972</u>	<u>\$ 100,072,014</u>	<u>\$ 112,329,514</u>	<u>\$ 113,922,113</u>	<u>\$ 114,932,486</u>	<u>\$ 107,801,298</u>	<u>\$ 109,998,851</u>	<u>\$ 115,957,644</u>	<u>\$ 118,952,004</u>	<u>\$ 116,226,091</u>
Total net debt applicable to the limit as a percentage of debt limit	6.12%	5.31%	3.93%	3.16%	2.33%	9.15%	8.62%	7.79%	7.31%	7.72%

TABLE 13

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

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (Thousands of Dollars) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>Public School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>	<b>Number of Building Permits (6)</b>
2007	23,457	649,879	28,285	41	3,210	7.2%	980
2008	24,264	679,756	29,894	41	3,148	7.8%	1183
2009	23,303	717,121	29,830	41	3,273	13.5%	920
2010	23,587	723,831	29,690	41	3,030	11.9%	944
2011	23,719	747,132	31,326	43.6	2,880	10.9%	875
2012	23,767	655,058	28,256	44	2,880	9.6%	943
2013	23,839	656,946	28,258	44	2,777	9.3%	867
2014	23,614	679,593	29,443	44.5	2,735	7.6%	865
2015	23,719	N/A	N/A	43	2,716	6.9%	761
2016	23,719	N/A	N/A	43	2,689	5.7%	858

## Notes:

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

TABLE 14

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

<b>2016</b>				<b>2015</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County</b>
Caswell County Schools	446	1	4.91%	Caswell County Schools	488	1	5.30%
Caswell County Local Gov	225	2	2.48%	Caswell County Local Gov	220	2	2.39%
Department of Public Safety	168	3	1.85%	Department of Public Safety	176	3	1.91%
Ssc Yanceyville Operating Co	160	4	1.76%	Ssc Yanceyville Operating Co	160	4	1.74%
WS Construction	121	5	1.33%	WS Construction	140	5	1.52%
Certainteed Gypsum NC Inc.	103	6	1.13%	Certainteed Gypsum NC Inc.	67	6	0.73%
Piedmont Comm College	32	7	0.35%	Piedmont Comm College	55	7	0.60%
Food Lion, Yanceyville	15	8	0.17%	Food Lion, Yanceyville	50	8	0.54%
Duke Athletics/Royal Textiles	75	9	0.83%	Duke Athletics/Royal Textiles	45	9	0.49%
Caswell House	37	10	0.41%	Caswell House	33	10	0.36%
Total	<u>1382</u>		<u>15.22%</u>	Total	<u>1434</u>		<u>15.56%</u>

Source: NC Employment Security Commission and employers.

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

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governing and Management	25	25	23	24	23	25	26	24	26	26
Community and Environment	2	5	2	2	5	5	5	6	5	6
Human Services	99	97	90	107	98	96	89	93	94	92
Public Safety	65	66	71	75	73	76	86	87	80	88
Cultural and Recreation	8	11	6	7	13	14	13	14	15	13
Total	199	204	192	215	212	216	219	224	220	225

Source: County Finance Department

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

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

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Public Safety/Sheriff</b>										
Court Papers	8,551	7,051	7,186	7,350	6,514	6,586	5,618	5,832	4,798	5,117
Investigation Reports Filed	911	1,085	1,113	1,095	1,203	1,185	1,255	1,343	1,255	1,539
Calls Answered	27,798	34,383	35,717	38,945	34,287	31,362	13006*	33,291	28,630	32,044
<b>Public Safety/Emerg Mgmt/Fire</b>										
Number of calls dispatched (includes fire & medical first response calls)	16,646	16,910	15,772	15,704	15,431	16,590	15,060	14,880	14,697	15,465
<b>Solid Waste</b>										
Tonnage Disposed	7,447	7,756	7,063	7,531	7,159	7,155	7,504	7,362	7,278	7,278
Number of Households Served	7,680	8,000	8,122	8,200	7,873	8,622	8,729	8,727	8,685	8,685
<b>Community Services/Library</b>										
Circulation	63,172	60,128	66,989	67,962	73,883	69,054	62,471	74,443	73,135	66,633
Computer Use	10,170	6,657	7,687	7,796	8,823	10,808	12,486	12,718	13,909	12,774
Program Attendance	69,087	71,531	64,392	69,648	74,899	79,491	86,214	75,181	73,533	76,884
<b>Community Services/Building Inspections</b>										
Number of Building Permits Issued	233	266	206	205	206	175	178	183	163	206
Number of Other Permits Issued (Includes Electrical, Plumbing, Mechanical, Fire)	935	917	714	739	669	768	689	682	598	858
<b>Human Services/Social Services</b>										
Average # Medicaid Eligible Cases	3,638	3,755	4,726	4,777	4,847	5,124	4,768	4,889	5,408	5,484
Average # Food Stamp Households per month	1,744	1,775	1,885	2,106	2,574	2,607	2,674	2,639	2,854	2,536
Average \$ Fraud Collections per month	1,891	4,587	5,379	5,084	4,134	5,180	2,299	2,025	2,034	2,968
Aging & Nutrition Services/ Meals Served	14,379	11,245	10,600	9,718	8,734	8,885	10,085	7,853	9,375	8,735
Aging & Nutrition Services/Clients Served	1,802	1,622	1,740	1,224	1,131	1,158	1,132	940	942	956
Meals on Wheels/Meals Served	24,722	27,232	26,397	31,234	32,517	33,388	32,106	33,771	32,319	31,066
Meals on Wheels/Clients Served	1,287	1,375	1,328	1,559	1,647	1,701	1,671	1,664	1,726	1,531
<b>Register of Deeds</b>										
Documents Recorded	4,093	4,432	3,364	3,090	2,925	3,085	3,150	2,832	2,688	2,749
Marriage Licenses	104	117	85	91	99	114	88	100	99	116
Births & Deaths	142	141	185	658	812	768	806	790	736	823
<b>Education</b>										
School enrollment	3,248	3,161	3,117	3,030	2,880	2,824	2,777	2,735	2,716	2,689

Sources: Various county government departments.

Solid Waste- Total tonnage disposed for County

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

County administered Meals On Wheels services implemented FY 2006-2007

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

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

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

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Government</b>										
Administration	2	2	1	1	1	2	2	1	1	3
Building Inspections	2	2	1	1	1	1	1	1	1	1
Maintenance	3	3	3	3	3	3	6	10	6	10
Section 8	2	2	2	2	2	2	2	2	2	2
Animal Control	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
Sheriff's patrol & other vehicles	45	57	58	56	56	62	53	56	61	55
Emergency Management	3	3	3	3	3	2	1	5	1	6
Emergency Medical Services	1	1	3	4	4	7	5	5	5	7
E911	2	2	2	2	2	2	1	2	2	2
<b>Environmental Protection</b>										
Soil & Water Conservation	1	0	0	0	0	1	1	1	1	1
<b>Economic &amp; Physical Development</b>										
Economic Development/Planning	0	0	0	0	0	0	0	0	0	0
Planning	1	1	1	1	1	0	0	0	0	0
<b>Human Services</b>										
Transportation	12	10	13	11	11	11	13	11	13	21
<b>Culture and Recreation</b>										
Parks & Recreation	2	2	2	2	2	3	2	3	2	3
Farmer Lake	1	1	1	0	0	1	1	1	1	3
Library	1	1	1	1	1	1	1	1	2	2
<b>Water &amp; Sewer</b>										
Landfill	2	2	2	2	2	2	2	2	3	3
Pump Stations	1	0	1	1	1	1	1	1	1	1
Elevated tanks	1	0	1	1	1	1	1	1	1	1
Elevated water pump station	1	0	1	1	1	1	1	1	1	1

Source: Various county government departments

# COMPLIANCE SECTION





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, 2016, and the related notes to the financial statements, which collectively comprises Caswell County's basic financial statements, and have issued our report thereon dated January 23, 2017. Our report includes a reference to other auditors who audited the financial statements of Caswell County ABC Board, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Caswell County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

### 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2016-01.

### Caswell County's Response to Findings

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

### Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 23, 2017



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

Independent Auditors' Report

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

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

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major federal programs for the year ended June 30, 2016. 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, 2016.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as 2016-03. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Management of Caswell County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caswell County's internal control over compliance with the types of requirements that could have 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 OMB 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-03 that we consider to be a significant deficiency.

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

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

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

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

Yanceyville, North Carolina

January 23, 2017





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

Independent Auditors' Report

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

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

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Columbus County's major state programs for the year ended June 30, 2016. Columbus 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, 2016.

## 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 Columbus County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 23, 2017

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

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**Section I. Summary of Auditors' Results**

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified?      \_\_\_yes                      Xno
- Significant Deficiency(s) identified      Xyes                      \_\_\_none reported
- Noncompliance material to financial statements noted      Xyes                      \_\_\_no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified?      \_\_\_yes                      Xno
- Significant Deficiency(s) identified      Xyes                      \_\_\_none reported
- Noncompliance material to federal awards      \_\_\_yes                      Xno

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?      Xyes                      \_\_\_no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Medical Assistance Program
14.871	Section 8 Housing

Dollar threshold used to distinguish between Type A and Type B Programs      \$ 798,891

Auditee qualified as low-risk auditee?      \_\_\_yes                      Xno

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

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

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

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**Section II. Financial Statement Findings**

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**Finding 2016-01**

SIGNIFICANT DEFICIENCY  
SIGNIFICANT NONCOMPLIANCE

Excess of Expenditures over Appropriations

Criteria: G.S. 195-8(a) states that monies received and expended by a local government or public authority should be included in the budget ordinance

Condition: Caswell County expended \$47,225 more in the Special Fire District Fund than was appropriated in the annual budget ordinance and amendments.

Effect: Expenditures are over appropriations in the annual budget ordinance and amendments.

Recommendation: Fund statements should be reviewed on a routine basis to ensure expenditures are in line with budget implications and appropriate budget amendments should be adopted for year-end tax collection payouts.

Views of Responsible officials and corrective action plans: The County agrees with the findings. The County will look at all funds for budgetary compliance and make any necessary adjustments prior to the fiscal year end to try to prevent this from occurring again in the future.

**Finding 2016-02    Reconciliation of Records**

SIGNIFICANT DEFICIENCY

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

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

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**Section II. Financial Statement Findings**

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**Finding 2016-01**

SIGNIFICANT DEFICIENCY  
SIGNIFICANT NONCOMPLIANCE

Excess of Expenditures over Appropriations

Criteria: G.S. 195-8(a) states that monies received and expended by a local government or public authority should be included in the budget ordinance

Condition: Caswell County expended \$47,225 more in the Special Fire District Fund than was appropriated in the annual budget ordinance and amendments.

Effect: Expenditures are over appropriations in the annual budget ordinance and amendments.

Recommendation: Fund statements should be reviewed on a routine basis to ensure expenditures are in line with budget implications and appropriate budget amendments should be adopted.

Views of Responsible officials and corrective action plans: The County agrees with the findings. The County will look at all funds for budgetary compliance and make any necessary adjustments prior to the fiscal year end to try to prevent this from occurring again in the future.

**Finding 2016-02    Reconciliation of Records**

SIGNIFICANT DEFICIENCY

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

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

Effect: The Board may not be receiving accurate information throughout the year to base management decisions on.

Cause: The finance staff does not have a thorough understanding of the GASB standards and year-end adjustments required to be compliant with the standards.

Recommendation: The finance office should make sure that timely reconciliations are prepared for all accounts. Year end entries should be made by the finance staff, and not proposed by the auditor.

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

**CASWELL COUNTY, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

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

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**US Department of Housing and Urban Development**  
**Office of Public and Indian Housing**  
Program Name: Section 8 Housing Choice Vouchers  
CFDA#: 14.871

**Finding 2016-03**

SIGNIFICANT DEFICIENCY  
SIGNIFICANT NONCOMPLIANCE

Reporting

Criteria: G.S. The County's Section 8 program must submit an unaudited Financial Date Schedule (FDS) prepared on the basis of Generally Accepted Accounting Principles (GAAP). The deadline for this submission is two months after the end of the County's fiscal year. The FDS is to be submitted electronically to HUD's Real Estate Assessment Center (REAC).

Condition: There is a limited knowledge of the County's HUD management in the preparation and submission of REAC FDS schedules.

Questioned Costs: No questioned costs.

Context: Section 8 Housing Authority failed to file financial reports in a timely manner. The unaudited Financial Report is due within 60 days of year end. The report was filed January 2017.

Effect: Financial statements were not presented timely to the US Department of Housing and Urban Development.

Cause: Management has limited knowledge regarding FDS submissions in REAC.

Recommendation: Management should obtain additional training to become proficient with the REAC system and FDS schedules in REAC.

Views of Responsible officials and corrective action plans: The County agrees with the findings.

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

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None Reported.

**CASWELL COUNTY, NORTH CAROLINA**  
**Corrective Action Plan**  
**For the Year Ended June 30, 2016**

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**Section II - Financial Statement Findings**

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Finding: 2016-01          Excess of Expenditures over Appropriations

Name of contact person: Gwen Vaughn, Finance Officer

Corrective Action: The County will look at all funds for budgetary compliance and make any necessary adjustments prior to the fiscal year end to try to prevent this from occurring again in the future.

Proposed Completion Date: June 30, 2017

Finding: 2016-02          Reconciliation of Records

Name of contact person: Gwen Vaughn, Finance Officer

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

Proposed Completion Date: June 30, 2017

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

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Finding: 2016-03          Reporting (Section 8 Housing)

Name of contact person: Angy Turner, Director of Section 8 Housing

Corrective Action: Due to lack of funding, the agency has not been able to attend needed training on the financial statements. We will seek training through Webinars provided by HUD.

Proposed Completion Date: March 31, 2017 and continued

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

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None Reported.

CASWELL COUNTY, NORTH CAROLINA  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2016

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Finding: 15-01

Corrected

Finding: 15-02

The County continues to have expenditures in excess of the budget for the Special Fire Districts, as a result of year-end adjusting entries. Repeated as 2016-01.

Finding: 15-03

Corrected

Finding: 15-04

Corrected

Finding: 15-05

Corrected

Finding: 15-06

Corrected

Finding: 15-07

The County did not timely file the required reports for Section 8 Housing. Further training is needed in this area. Repeated as 2016-03.

Finding: 15-08

Corrected

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<b>Federal Awards:</b>						
<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		\$ 148,825	\$ -	\$ -	\$ 148,825
Fraud						
	10.561		13,834	-	-	13,834
Total Supplemental Nutrition Assist Program Cluster						
			162,659	-	-	162,659
Passed-through N.C. Dept of Health and Human						
Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program						
for Women, Infants and Children						
	10.557		112,230	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program						
for Women, Infants and Children						
	10.557		252,942	-	-	-
Total Division of Public Health						
			365,172	-	-	-
Total U.S. Dept. of Agriculture						
			527,831	-	-	162,659
<u>Institute of Museum &amp; Library Services</u>						
Passed through Department of Natural and Cultural						
Resources						
State Library of North Carolina						
LSTA Grants						
	45.310		39,714	-	-	4,166
<u>US Dept of Health and Human Services</u>						
Division of Aging and Adult Services						
Passed-through Piedmont Triad Regional Council of						
Governments						
Special Programs for the Aging Title IIIB Grants for						
Supportive Services and Senior Centers						
	93.044		9,794	575	-	-
Special Programs for the Aging Title IIIC Nutrition						
Services						
	93.045		102,966	91,329	-	-
Family Caregiver Giver IIIIE						
	93.052		11,573	772	-	-
Nutrition Services Incentive Program						
	93.053		27,750	-	-	-
Total Aging Cluster						
			152,083	92,676	-	-
Social Services Block Grant (SSBG) - In Home						
Services						
	93.667		4,736	133	-	-
Division of Social Services						
<u>Temporary Assistance Needy Family Cluster</u>						
Temporary Assistance for Needy Families -Admin						
	93.558		47,503	-	-	28,921
Temporary Assistance for Needy Families - Services						
	93.558		273,925	-	-	92,012
TANF / Work First Direct Benefit Payments						
	93.558		134,502	-	-	-
Total TANF Cluster						
			455,930	-	-	120,933

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass- Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E - Administration	93.658		12,587	9,963	-	3,547
IV-E Foster Care Trn/Off Trn	93.658		71,247	-	-	70,874
Foster Care - Title IV-E- CPS	93.658		-	-	-	-
IV-E Admin County Paid	93.658		6,473	3,237	-	3,237
Foster Care - IV-E Direct Benefit Payments	93.658		56,788	14,473	-	14,524
Adoption IV-E Off Trn	93.659		26,192	-	-	26,192
IV-E Adoption Subsidy & Vendor	93.659		82,327	21,146	-	21,146
Foster Care	N/A		16,947	-	-	596
Total Foster Care and Adoption Cluster			272,561	48,819	-	140,116
IV-D Administration	93.563		288,122	-	-	148,426
Family Preservation	93.556		5,469	-	-	-
AFDC Payments & Penalties	93.560		(156)	(43)	-	(43)
DMA Equipment	N/A		4,098	-	-	1,366
Low-Income Home Energy Assistance						
Administration	93.568		20,870	-	-	-
Energy Assistance - Direct Benefit Payments	93.568		131,604	-	-	-
Crisis Intervention Program	93.568		92,486	-	-	-
Total Low-Income Energy Assistance			244,960	-	-	-
Stephanie Tubbs Jones Child Welfare Services						
Program						
Adoption Subsidy - Benefit Payments	93.645		-	-	-	-
Permanency Planning - Families for Kids	93.645		6,135	-	-	2,045
Total Stephanie Tubbs Jones Child Welfare Services			6,135	-	-	2,045
SSBG - Other Service and Training	93.667		134,113	13,762	-	49,291
Chafee Foster Care Independence Program	93.674		1,411	353	-	-
Division of Aging and Adult Services						
Division of Social Services						
SSBG - State In Home Service Fund	93.667		62,640	-	-	2,658
Division of Child Development and Early Education						
Subsidized Child Care:						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund - Administration	93.596		80,000	-	-	-
Division of Child Development:						
Child Care and Development Block Grant- Discretionary	93.575		182,278	-	-	-
Child Care and Development Block Grant - Mandatory	93.596		46,801	-	-	-
Child Care and Development Block Grant - Match	93.596		148,619	67,876	-	-
Total Child Care Development Fund Cluster			457,698	67,876	-	-
Temporary Assistance for Needy Families	93.558		41,154	-	-	-
Foster Care Title IV-E	93.658		2,765	1,420	-	-
Smart Start	N/A		-	-	-	-
State Appropriations	N/A		-	2,341	-	-
TANF-MOE	N/A		-	42,126	-	-
Total Subsidized Child Care Cluster			501,617	113,763	-	-

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Passed-through the N.C. Department of Health and Human Services						
Division of Medical Assistance:						
Direct Benefit Payments						
Title XIX - Medicaid	93.778		21,711,697	12,230,704	-	-
Division of Social Services						
Administration						
Medical Assistance Program	93.778		488,485	10,268	-	208,651
Total Medical Assistance Program			<u>22,200,182</u>	<u>12,240,972</u>	<u>-</u>	<u>208,651</u>
Direct Benefits Payments						
State Children's Insurance Program						
N. C. Health Choice	93.767		445,898	24,453	-	-
Division of Social Services Administration						
State Children's Insurance Program						
NC Health Choice	93.767		10,909	505	-	43
Total State Children's Insurance Program NC Health Choice			<u>456,807</u>	<u>24,958</u>	<u>-</u>	<u>43</u>
Passed-through the N.C. Department of Health and Human Services						
Division of Public Health						
Public Health Emergency Preparedness	93.069		30,717	-	-	-
Hospital Preparedness Program (HPP) and Public						
Emerg Preparedness (PHEP) Aligned Cooperative	93.074		14,997	-	-	-
Agreements						
Project Grants and Cooperative Agreements for						
Tuberculosis Control Programs	93.116		43	-	-	-
Immunization Grants	93.268		6,578	-	-	-
Preventive Health and Health Services Block Grant						
funded solely with Prevention and Public Health						
Funds	93.758		29,273	-	-	-
Cooperative Agreement for State-Based						
Comprehensive Breast and Cervical Cancer Early						
Detection Program HIV Prevention Activities- Health						
Department Based	93.940		223	-	-	-
Preventive Health Services - Sexually Transmitted						
Diseases Control Grants	93.977		510	-	-	-
Temporary Assistance for Needy Families	93.558		3,020	-	-	-
Passed through N.C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		19,517	14,640	-	-
Office of Population Affairs						
Passed through N.C. Department of Health and Human Office of Population Affairs						
Family Planning Services	93.217		18,345	-	-	-
Total U. S. Department of Health and Human Services			<u>24,913,931</u>	<u>12,550,033</u>	<u>-</u>	<u>673,486</u>
<u>U.S. Dept. of Homeland Security</u>						
Passed through the NC Dept. of Public Safety						
Emergency Management Performance Grant	97.042		20,625	-	-	-
Total U.S. Dept. of Homeland Security			<u>20,625</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, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>U.S. Department of Housing &amp; Urban Development</u>						
<u>North Carolina Housing Finance Agency</u>						
Home Investment Partnership Program	14.239		111,185	-	-	-
<u>Office of Public and Indian Housing</u>						
Lower Income Housing Assistance Program						
Section 8 Housing Voucher Program	14.871		854,289	-	-	-
Total U.S. Dept. of Housing & Urban Development			965,474	-	-	-
<u>U.S. Department of Transportation</u>						
Passed through the N.C. Department of Transportation						
Public Transportation Division						
		36233.19				
Nonurbanized Area Formula Program	20.509	.13.1	15,255	953	-	-
		36233.19				
Nonurbanized Area Formula Program	20.509	.13.3	13,397	1,674	-	-
		36233.19				
Nonurbanized Area Formula Program	20.509	.14.1	72,983	4,561	-	-
		36233.19				
Nonurbanized Area Formula Program	20.509	.14.3	40,572	5,071	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	.3.3	10,807	1,351	-	-
Passed through N.C. Department of Public Safety						
Division of Emergency Management						
Hazard Materials Emergency Planning	20.703		9,100	-	-	-
Total U. S. Department of Transportation			162,114	13,610	-	-
Total Federal Awards			\$ 26,629,689	\$ 12,563,643	\$ -	\$ 840,311
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food and Lodging Fees			\$ -	\$ 3,037	\$ -	\$ -
Maternal Health			-	2,641	-	-
Communicable Disease			-	10,909	-	-
Risk Reduction /Health Promotion			-	-	-	-
Public Health Nursing			-	400	-	-
HIV/STD SSBG Aid			-	500	-	-
Breast and Cervical Cancer Program			-	-	-	-
Sexually Transmitted Diseases			-	891	-	-
School Nurse Funding Initiative			-	200,000	-	-
Women's Health Service Fund			-	4,813	-	-
Tuberculosis			-	1,659	-	-
Child Health			-	-	-	-
General Aid to Counties			-	80,061	-	-
TB Medical Services			-	540	-	-
HMHC Family Planning			-	2,661	-	-
Division of Social Services:						
CP&L Energy Assistance		N/A	-	3,954	-	-
State Foster Home		N/A	-	7,626	-	7,626
SC/SA Domiciliary Care Payment		N/A	-	268,826	-	268,826
State Child Welfare/CPS/CS LD		N/A	-	16,432	-	-
DCD Smart Start		N/A	-	-	-	-
SFHF Maximization		N/A	-	4,590	-	4,590
County Funded Programs		N/A	-	-	-	329,678
AFDC Incent/Program Integrity		N/A	-	22	-	-
CWS Adopt Subsidy & Vendor		N/A	-	22,422	-	3,670
Non-Allocating County Cost		N/A	-	-	-	20,943
Division of Aging and Adult Services:						
State Funds In Home Services			-	45,186	-	-
Caregiver Match			-	2,722	-	-
Senior Center Purpose			-	2,752	-	-
Total N.C. Dept. Health and Human Services			-	682,644	-	635,333

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
N. C. Dept. of Environment and Natural Resources Division of Soil and Water Conservation Soil Technician Grant			-	24,557	-	-
<u>N.C. Dept. of Veterans Affairs</u> Veteran Grant		N/A	-	1,525	-	-
<u>N.C. Dept. of Transportation</u> Rural Operating Assistance Program (ROAP)						
Elderly and Handicapped Transportation Assistance		36220.10 .6.1	-	50,540	-	-
Rural Public Transportation State Funds		36228.22 .6.1	-	52,519	-	-
Work First Transportation Non-Recipient		36236.11 .5.1	-	7,700	-	-
Total N.C. Dept. of Transportation			-	110,759	-	-
<u>N.C. Dept. of Environment and Natural Resources</u> Division of Waste Management - Scrap Tire Program		N/A	-	16,024	-	-
Division of Waste Management - White Goods			-	8,029	-	-
Division of Waste Management - Scrap Tire Fund			-	31,302	-	-
Total N.C. Dept. of Environment and Natural Resources			-	55,355	-	-
<u>N.C. Dept. of Public Safety</u> Office of Juvenile Justice Youth Services:						
Caswell County Parenting Program		N/A	-	6,551	-	-
Caswell County Youth Enrichment Program		N/A	-	82,148	-	10,000
JCPC Administration		N/A	-	9,048	-	-
Total N.C. Dept. of Public Safety			-	97,747	-	10,000
<u>N.C. Department of Commerce</u> Commerce Fellows Capacity Building Grant			-	20,732	-	-
Total N.C. Department of Commerce			-	20,732	-	-
<u>N. C. Council for Women/Domestic Violence Commission</u> Domestic Violence			-	45,964	-	-
Marriage License			-	20,103	-	-
Family Violence			-	16,747	-	-
Displaced Homemaker Program (DF)			-	20,867	-	-
			-	103,681	-	-
<u>N. C. Department of Cultural and Natural Resources</u> Division of State Library State Aid to Public Libraries			-	86,436	-	-
<u>N. C. Department of Public Safety</u> Governors Crime Commission Family Services			-	41,762	-	-
<u>N.C. Department of Public Instruction</u> Public School Building Capital Fund (Lottery)			-	174,636	174,636	-
Total N.C. Department of Public Instruction			-	174,636	174,636	-
Total State Awards			\$ -	\$ 1,225,198	\$ -	\$ 645,333
Total Federal and State Awards			\$ 26,629,689	\$ 13,788,841	\$ -	\$ 1,485,644

**Caswell County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass- Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
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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, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Caswell County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Caswell County.

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

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

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

**Note 3: Cluster of Programs**

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