

CASWELL COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

March 6, 2023
OTHERS PRESENT

Tim Yarbrough, Vice Chairman
Finch Holt
Jeremiah Jefferies
Rick McVey
Frank Rose

Bryan Miller, County Manager
Carla Smith, Clerk to the Board
Brian Ferrell, County Attorney (Joined Remote)
Melissa Williamson, Deputy County Manager
Aisha Gwynn, Assistant County Manager

The Board of Commissioners for the County of Caswell, North Carolina, met in regular session on Monday, March 6, 2023 at 6:30 pm in the Historic Courthouse.

WELCOME:

Vice Chairman Yarbrough called the meeting to order, and welcomed everyone to tonight's meeting of the Caswell County Board of Commissioners. Before we proceed, I would like to recognize the County Manager, Brian Miller.

County Manager Miller said Commissioners, I'd just like to bring to your attention the issues we have with the ceiling in the Historic Courthouse. We do have several paint chips that have come loose. We have one to fall over near Commissioner Jefferies seat. We believe it fell earlier today. We also have some issues with the plaster. We have taken the precautions of setting up another room at the Gunn Memorial Public Library if you would like to move from this location to that location, or if you would like to schedule all future meetings at that location until we have this looked at or taken care of. It is up to the Board if you want to move or if you don't want to move. We just wanted to recognize the slight safety concern with falling paint chips and possible plaster.

The **consensus** of the Board was to stay at the Historic Courthouse for tonight's meeting, and in the future we may have to see how it goes.

Then the Vice Chairman asked all to join him in a moment of Silent Prayer. Then the Board of Commissioners and all the guest in attendance recited the Pledge of Allegiance.

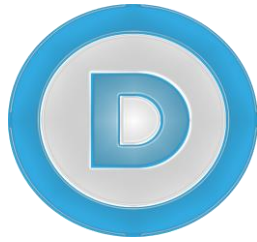
PUBLIC COMMENTS:

There were none in person or emailed.

RECOGNITIONS:

There were no recognitions, but Commissioner Jefferies asked the County Manager to read the letter from the Democratic Party before the meeting started.

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BETTER TOGETHER

Caswell County Democratic Party
Office of Chair of Caswell County Democratic Party
3457 Longs Mill Road
Blanch, NC 27212
(336) 504-5184

3/6/2023

Dear Caswell County Board of Commissioners and related parties;

The Caswell County Democratic Party Executive Committee with respect to the pending recommendation of Antonio Foster for District4 seat vacated by the passing of Nathaniel Hall , respectfully offers the following to the Caswell County Board of Commissioners for their consideration:

After additional review and discussion with pertinent community members and Caswell County Democratic Party Executive Board members, the Board has decided to remain steadfast in our recommendation of LtC (retired) Antonio Foster for the aforesaid seat. Reasons for this decision are as follows:

1-Antonio Foster meets the NC State statute regarding vacancies on the Board of Commissioners 153A-27 (c) To be eligible for appointment to fill a vacancy, a person must (i) be a member of the same political party as the member being replaced, if that member was elected as the nominee of a political party, and (ii) be a resident of the same district as the member being replaced, if the county is divided into electoral districts. The board of commissioners or the clerk of superior court, as the case may be, shall consult the county executive committee of the appropriate political party before filling a vacancy.

This statute allows for no gray area in interpretation, and as such, Mr Foster fulfills both requirements. He is a confirmed resident of the “old” district as it stands, and is a registered Democrat. The fact that he has recently made amendment to his party affiliation is a matter of

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record but has no bearing on his viability as our recommendation for District 4 seat in Caswell County.

Mr Foster's recommendation has been valid since it was offered 1/31/2023, with all due respect, the information presented to the Board of Commissioners by current Chair Dickerson was not based in fact when correlated with not only the NC State statutes regarding this matter but also the 2023 Democratic Plan of Organization which reiterates the same guidelines regarding filling vacancies on the Board of Commissioners for this type of precinct/district in North Carolina.

Thank you again for your efforts on behalf of Caswell County and for considering our recommendation of Mr. Antonio Foster made 1/31/2023.

Be advised, the Caswell County Democratic Party Executive Board continues to stand behind our first recommendation and is not considering a second recommendation at this time.

Sincerely,

Mary Susan Jesserer-Poore/Chair, Sara Broadwell/Vice Chair, Jasmine Henderson/Treasurer, and Glendora Diggs/Secretary, Paula Diggs/Pelham Chair

Caswell County Democratic Party Executive Committee 2023

AGENDA:

APPROVAL OF AGENDA:

A **motion** was made by Commissioner McVey and seconded by Commissioner Rose and **carried unanimous** to approve the agenda. (Ayes: Commissioners Holt, Rose, McVey, Jefferies, and Yarbrough)

APPROVAL OF CONSENT AGENDA:

- a. February 6, 2022 Regular Meeting Minutes
- b. February 16, 2023 Town Meeting Minutes
- c. February 18, 2023 Work Session Minutes
- d. February 20, 2023 Regular Meeting Minutes including BOE Meeting Minutes

A **motion** was made by Commissioner McVey and seconded by Commissioner Jefferies and **carried unanimous** to approve the consensus agenda. (Ayes: Commissioners Holt, Rose, McVey, Jefferies, and Yarbrough)

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DISCUSSION ITEMS:

NCACC SMS:

County Manager Miller said Commissioners, tonight we have with us Johnna Sharp from the North Carolina Association of County Commissioners' Strategic Member Services Division. Mrs. Sharpe is a NCACC County Operations Consultant. Her business focuses on working collaboratively with counties to pinpoint solutions for fiscal and operational challenges. She spent three decades in local government leadership roles in Virginia and Wake County, where her roles included Budget Director, Chief Financial Officer and Chief Operating Officer. She is partnering with the NCACC to bring her passion for public service and breadth of expertise to support all North Carolina counties.

Johnna Sharpe said good evening Commissioners. I'm just here to introduce myself to you as I hopefully will be working with your team over the next several months to assist them in pretty much whatever capacity I can. My role with the North Carolina Association of County Commissioners is specifically right now working with those counties that find themselves on the unit assistance list of the Treasurer's office. I want to come alongside your staff, and I'm basically trying to do on-the-job training in areas where I can help improve efficiency and effectiveness. I was working today on it, and I've been working on everything from sales tax distribution to ARPA reconciliations. I'm working also and assisting with the audit in whatever way I can. I'm kind of working in sort of a different role from the Isley group that you will hear from in a moment. They're really the hands-on, in the numbers, and getting the records caught up, and I want to help kind of build capacity in your staff moving forward to position you to complete your audits on time in the future. I've been very impressed with the willingness of the staff to want to learn things and do things the right way. They've given me a very welcome reception, which makes it very easy to want to come in, assist, and help. The North Carolina Association of County Commissioners is committed to helping counties, and we targeted those that are late on their audits right now as our top priority so we can help move those things along. I believe you met two of my colleagues at your retreat. We're your team and helping you in whatever way we can to show up the financial operation. Vice Chairman Yarbrough asked if there were any questions. Vice Chair Yarbrough said so you will be working alongside the Finance Office and the Isley group. Am I correct? Johnna Sharpe said I'll be working more so with the Finance Office and supporting the Isley group to the extent that I can assist in helping get some of the audit work complete. Vice Chair Yarbrough asked now have you started here in Caswell yet? Mrs. Sharpe said yes sir. I've been on site a few times, and I've been here all day today. I'm working on site as well as off-site. I fortunately have access to your system so there's much that I can do remotely. I'm in constant communication with the finance team and the County Manager. Vice Chair Yarbrough said with what little you've seen so far in just a few days, what are your thoughts on what you have seen and where are we headed? I know we're headed to a good place. Mrs. Sharpe said what I've seen so far and what I will share I've seen in a lot of counties where there has been staff turnover is that people don't know what they don't

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know. That's why in my 30 years of local government I've pretty much seen and done it all especially from a finance operating standpoint. So I'm able to get in and pretty quickly see how we can make improvements and how changes can be made. With a goal of making things easier, I often find that people do things the hard way because they don't know there's an easy way. My understanding is that the fiscal year 22 books are in much better shape. So hopefully once the 21 audit is completed, we can move through getting some of the other things caught up. That's actually my interest in working with the team right now is also looking at where FY 23 audit is or where the books are because that's important to have a handle on those as we move into working on your fiscal year 24 budget, which part of my work will be assisting the team on the 24 budget. I often proclaim I'm a self-proclaimed budget geek. I love budgets, and it's probably one of my favorite things I do. So really kind of seeing how getting that budget straight can help make things even simpler as they go throughout the year and doing the accounting. So I think you have several unfortunate circumstances, a system conversion, which is always a challenge, and staff turnover. I don't see anything from my standpoint that isn't fixable, and with the right attitude and the willingness to learn, which is exactly what I've seen so far, I think you're poised to move in a very good direction. It's just getting the backlog caught up that's the challenge. Vice Chair Yarbrough said thank you.

ISLEY & ASSOCIATES:

County Manager Miller said Commissioners, tonight we have with us the principle of Isley & Associates, Greg Isley. Mr. Isley is here to provide an overview and an update on processes used to correct FY 2020-2021 accounting system. So at this time I'll ask Mr. Isley to come and speak. We also have Beverly Stroud who is associated with Isley's operations.

Greg Isley said good evening and thank you. The question is when is the audit going to be done. I do not know that answer. Let me just put that right up front. I am not your auditor. What we're here to do is to get your books and records into an auditable condition so the audit team or the firm can come in and do that work. So our function is to get the accounting record straight. Then we will write the financial statements with the footnotes to provide to the auditor in order for them to do that audit. This has been a challenge. Not to make you feel any better for this taking so long, but you're not in a unique position across the state. I think there are 21 other counties that do not have their audits done. There are 130 municipalities that do not have their audits done across the state. There is a lack of talent across the state. When I say lack of talent I mean people with experience being in key positions in finance positions, and that's causing a strain across the whole state. It's really a crisis situation right now. We just had the Government Finance Officers Association meeting last week in Raleigh for a couple of days for continuing education. The situation right now is I think we're in 25 towns and counties right now doing something very similar to what we're assisting you with at this time. To find people to step into those Finance Officer roles with experience, it's tough. They're retiring, and from what the economists indicated from Wells Fargo, it's not just in the accounting area. It's everywhere. They showed a graph where basically when COVID hit people 55 and over left their positions, and it was a huge

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drop in the graph. They're not coming back, and so that's really left a void of the key financial positions as well as other areas also to fill that void. So what we're looking to do is to get your accounting records and transactions reported to the auditors so they can do the audit. I'm not sure if you understand exactly what we're facing as far as finding; so I best ask Beverly to kind of with your permission show you the issues that we're going through and trying to address. It's not something that you snap your fingers, and it's done overnight. As far as the difficulty of finding people, just before I walked into this meeting, I got to notice from our staff from another town in the western part of the state that the finance officer was out. So you know now we've got to step into a greater role as far as helping them. I've probably got 25 or 30 people across the state working with issues just like this right now, and we do have the GWI Team focused and devoting a lot of time. Beverly will go over who those are to help you get in that position. Once it's caught up, I think you'll be on a more regular cycle and make any predictions about when your books and records would be done in a regular audit. But at this point in time, I can't tell you exactly when this year will be done so we can get caught up. I will agree with what you said that things are better than what they were back in the 2021 year, but we've got to get through some more issues there to get them caught up. So Beverly if you will walk us through.

Beverly Stroud came up and shared slides to demonstrate the work they are doing. Beverly said I'm Beverly Stroud, a CPA. I manage the Discovery Division. I've originally was not on this project, but a couple months ago I was brought in to help assist and help move the project forward and get further along faster hopefully. So I want to share my screen, I have a short PowerPoint to show you some examples. I'm not going to try to get too far in the weeds, but I do want to show you some of the things we're dealing with and why it's taking so long. I'm going to share my screen now. So we're working currently on FY 21. That is the year you went to Munis mid-October to November time frame or in that three months, and the rest of the year was carried out in the new system. They were also working on the bank reconciliations for FY21 through the current year. So we have put several people on the team to try to help move this along. Many of you may have seen Debra Mack, who was overseeing the project and working on budget issues. My role is mainly working on cash transactions and working with Melissa Miller trying to report cash transactions that were missed. Then Melissa Bishop, she's working here on the site now for several days a week helping staff before Johnna came and also working on some payroll recoveries that we needed. Linda Pennell has worked on your Truist account, sales tax, and Accounts Receivable issues and I will go over some of these later. Some of the staff back in the office, Tajhia Rogers worked on bank reconciliations and helped us figure out which transactions we need to research. Jennifer Barnett helps with this FY23 budget. Our team has biweekly update calls on Tuesday. We all get together with our team, staff here for Caswell, and now we've added Johnna Sharpe to those call to try to help us keep moving, to see where everybody's at, and mark things off the list as we go along. If anyone sees anything new that's popped up, then we can work on those items too. So far me and Linda are mainly working on cash and we've recorded 178 journal entries just to cash to try to correct some of the things that went wrong during the conversion. This started going sideways after you converted from ACS to

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Munis. I don't think I need to belabor that point. I think everyone knows that when all this happened. Everything that happened with that conversion just got off track. There were several issues we ran into at first that slowed it down. Your balances that were brought over were incorrect so they had to be reversed out and put back in the correct amounts. There were Accounts Payable invoices that were for 2021 that got put in 2022. It was 217 of them that have been reversed out and put back in the right year. All those things take time because as accountants we have to make good tracks so the auditors can justify what we are doing. So we had to make sure every amount could be tracked and easily identified by an auditor. After July 2020, there were no bank reconciliations done; so we had to have our staff in the office come in first and go through and try to prepare the bank reconciliation so that we knew as accountants what we had to work on and transactions we had to find. The main thing I will focus on is bank reconciliations because in local government and most businesses everything that goes in and out of the accounts must be recorded. That's where the main entries on the books come from. When you converted from ACS to Munis, they did a lump sum entry and brought things for July over in one big entry. All this came over in a big entry in September and like half of October. So it's kind of hard to trace that back to a bank statement. What they did was took all your revenue that came in and put a post to cash, and then put every revenue that came in. That's hard to trace back to the bank statement when you make one lump sum entry to cash. So our staff has taken a lot of time to try to break that down and figure out what actually did hit the bank for that month or in another month. What they found in the main checking account was that a lot of transactions were entered in the wrong month. For example, I did not have a deposit for what I was working on before I came here and had four items deposit I believe in November. Two of them were entered in March, one of them was entered in June, and one was never entered on the same deposit ticket. So it made it hard for us to trace your bank transactions when some of it didn't get recorded and then it got recorded in PC. I'll show you some examples of that really quick. We had drawdowns from your Truist that were done for the school that were drawn down for the construction loan that didn't get recorded. So we had one or two million dollar deposits that didn't get recorded on the books. You got the money and you paid the vendors, but it just didn't get recorded. Jennifer had to go back to Truist to get copies of the drawdowns so we could trace those back. Same thing with NCCMT, your trust account, the money was transfer back and forth you know sometimes you do that to earn better interest, but the transactions are not recorded. So we had to trace those through other accounts, and then make entries to both to be able to get them to balance. Then as I said some are entered on various days and months off the same deposit ticket. The payroll liabilities, you paid the payroll taxes and things, but then they were entered into the wrong accounts. So you might have paid Federal Income Taxes, but it was entered into the Federal Social Security account. So they were all out of whack. We've taken a lot of that down and been able to make the correct entries, but it takes it a lot of time because you're talking about 12 months because it was happening even after the Munis conversion.

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FY21 Bank Reconciliation (cont'd)

- Transactions (revenue/expense) from ACS to Munis (July-Oct)
- Posted as lump sum: Example-July JE (21 pages)

ACCOUNT	ACCOUNT DESCRIPTION	
358 6504520 519900	7UL2GLACT	58.32
650-41-4520-000-519900-	PROF SERVICES-OTHER	
359 6504520 519100	7UL2GLACT	74.38
650-41-4520-000-519100-	TELECOMMUNICATION	
360 6504520 519100	7UL2GLACT	182.49
650-41-4520-000-519100-	TELECOMMUNICATION	
361 6504520 519100	7UL2GLACT	56.00
650-41-4520-000-519100-	SUPPLIES-POSTAGE	
362 6504520 519100	7UL2GLACT	450.00
650-41-4520-000-519100-	DUES AND SUBSCRIPTIONS	
363 6504521 512100	7UL2GLACT	7,660.00
650-41-4521-000-512100-	SALARIES-FULL TIME	
364 6504521 512100	7UL2GLACT	481.12
650-41-4521-000-512100-	SALARIES-PART TIME	
365 6504521 512100	7UL2GLACT	606.53
650-41-4521-000-512100-	FCRA	
366 6504521 512100	7UL2GLACT	781.62
650-41-4521-000-512100-	RETIREMENT	
367 6504521 512100	7UL2GLACT	1,925.55
650-41-4521-000-512100-	HEALTH INSURANCE	
368 6504521 512100	7UL2GLACT	1,272.12
650-41-4521-000-512100-	SUPPLIES-MOTOR FUEL	
369 6504521 512100	7UL2GLACT	826.96
650-41-4521-000-512100-	MAINT AND REPAIR-VEHICLES	
370 6504521 512100	7UL2GLACT	7,228.00
650-41-4521-000-512100-	SPECIAL SEPARATION	
371 6504521 512100	7UL2GLACT	152.93
650-41-4521-000-512100-	FCRA	
372 6504521 512100	7UL2GLACT	24.32
650-41-4521-000-512100-	TAX COLLECTION FEES	
373 6504521 512100	7UL2GLACT	6.35
650-41-4521-000-512100-	TAX COLLECTION FEES	
374 6504521 512100	7UL2GLACT	586.52
650-41-4521-000-512100-	ADO STATE REMITTANCE FEES	
375 6504521 512100	7UL2GLACT	213.28
650-41-4521-000-512100-	ADO STATE REMITTANCE FEES	
376 6504521 512100	7UL2GLACT	266.60
650-41-4521-000-512100-	ADO STATE REMITTANCE FEES	
377 6504521 512100	7UL2GLACT	2,525.85
650-41-4521-000-512100-	SCHOOL FINES AND FORFEITURES	
378 6504521 512100	7UL2GLACT	2,588,100.39
650-41-4521-000-512100-	CENTRAL DEPOSITORY CHECKING	

[MORE VIDEOS](#)


Greg W. Isley, CPA, PA
Certified Public Accountant

Here's just an example I can show you of the entry they made through July, the transactions they brought over from ACS. It's a 21 page journal entry, and all these debits to expenses and they did one huge entry to cash to take it out of the bank account. Well you know that's not the way it came out. It came out as checks or drafts. So for us to try to break that number down and trying to make sure everything drafted or checks cash has taken a lot of time for each month. When our team looked at this, they broke the transaction down into four categories. We've got the deposits that went into the bank, like you physically took the deposit to the bank. It did not record it in the system. You also had wire transfers coming into your bank account like sales tax, but they were not recorded. That was the second bucket that they put it in. Then you had drafts out of your accounts where you paid bills, and those were not recorded. So we had to look those up. The fourth one was items in Minus that when we looked at your cash accounts don't show up on the bank statements. So we had to take these four buckets of things that our staff put your transactions into. Then as accountants, research each one that didn't match up.



FY21 Bank Reconciliation (cont'd)

Oct/Nov 2020

Deposits not identified on bank statement

10-04 Deposit 600	404.35 recorded in Dec 2020	11-04 Deposit 4310	1,885.34 POSTED 2/23/21
10-05 Deposit 4180	574.00 recorded in Nov 2020	11-04 Deposit	5,985.09 2774.62-2731.50+488.55 POSTED 12/3/20
10-05 Deposit 600	608.72 recorded in Dec 2020	11-04 Deposit 4140	19,216.09
10-05 Deposit 600	903.15 recorded in Dec 2020		90,188.14 2982.99 posted 11/12/20; 80185.15 ?
10-05 Deposit 4140	44,098.90 recorded in Nov 2020	11-09 Deposit	540.22 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-08 Deposit 180	25.00 recorded in Nov 2020	11-09 Deposit	406.35 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-08 Deposit 9310	283.48 recorded in Dec 2020	11-10 Deposit	599.65 POSTED 11/23/20
10-08 Deposit	571.00	11-12 Deposit 4310	255.60 POSTED 2/23/21
10-09 Deposit 600	104.94 recorded in Dec 2020	11-12 Deposit	975.21 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-09 Deposit 600	133.75 recorded in Dec 2020	11-13 Deposit	1,794.94 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-09 Deposit 600	809.15 recorded in Dec 2020	11-16 Deposit	75.00 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-09 Deposit 600	851.45	11-17 Deposit	382.35 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-09 Deposit 600	843.75 recorded in Dec 2020	11-19 Deposit	160,051.00 POSTED 6/30/21
10-13 Deposit 4140	914.08	11-20 Deposit	685.00 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-13 Deposit	47,044.84 recorded in Nov 2020	11-20 Deposit	765.32 POSTED 11/24/20
10-14 Deposit 600	290.15 recorded in Dec 2020	11-20 Deposit (Transfer from Bank Acct #9505 11-20 Auto Close Withdrawl to Fidelity #078)	11,947.28 POSTED 2/1/21 BTS
10-14 Deposit 600	389.00 recorded in Dec 2020	11-23 Deposit	105.18 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-14 Deposit 600	429.85 recorded in Dec 2020	11-24 Deposit	3,349.81 POSTED 11/30/20
10-14 Deposit 600	781.80 recorded in Dec 2020	11-30 Deposit	1,437.24 POSTED AS 6064.51 11/30/21 EFFECTIVE 8/12/21
10-14 Deposit	3,732.04 recorded in Dec 2020		
10-15 Deposit 5870	1,441.09		
10-16 Deposit 6500	24.00		
10-16 Deposit	917.29		
10-19 Deposit 4180	254.00 recorded in Nov 2020		
10-19 Deposit 600	837.90 recorded in Dec 2020		
10-19 Deposit 600	412.15 recorded in Dec 2020		
10-19 Deposit 600	1,081.70 recorded in Dec 2020		
10-19 Deposit 600	1,128.00 recorded in Dec 2020		
10-20 Deposit 4310	234.00 recorded in Dec 2020		

Greg W. Isley, CPA, PA
Certified Public Accountant

Here's an example of October-November 2020 transactions, and I know you can't read this. It's not important to read the numbers. You see what's in orange, these are October deposits on the left, and they were deposited in your bank account in October. You have to deposit daily according to the statute. You did deposit the money, but lot of these were deposited in October at the bank but were not recorded until November or December. They were recorded with November and December dates. So when we're reconciling the October checkbook, they're not there. They're in another month. So we can't just do one month and finish it because it may be in another month that we've got to look at. So the staff went through and identified these transactions. In Orange they're okay just in the wrong month. The yellow ones I had to send those to the staff here, they research it for us, and send them back. Then we have to look at them and see where they're recorded. Were they just in another place? Did they get divide out and recorded separately? Or do they now need to be recorded? If so, we have to get a code to recorded them in cash. The ones in bright yellow, we have now recorded them or we went back and found them. So the ones that are highlighted, we had to go through these one deposit at the time. Whether it's a \$500 deposit or \$500,000 deposit, we still have to take as much time to look it up and make sure everything got recorded.



CCBOC March 6, 2023

FY21 Bank Reconciliation (cont'd)

Oct/Nov 2020

Deductions from bank not entered

Other Debits To Your Account (verbatim from Bank Statement) that is not listed individually on the MUNIS Bank Rec		
Date	Description	Amount
10-01	ACH Payment COUNTY OF CASWEL Section 8 XXXXXXXXXX	(77,718.82)
10-02	ACH Payment FIDELITY BANK ONLINE PAY 775	(7,059.89)
10-09	ACH Payment COUNTY OF CASWEL DSS Travel XXXXXXXXXX	(825.14)
10-19	ACH Payment COUNTY OF CASWEL DSS Sept T XXXXXXXXXX	(44.38)
		(85,648.15)

20 Checks in ACS, not in Munis (Client need to substract in Munis as Debit to _____ Credit to Bank Account)		
Check #	Vendor	Amount
155635	WATLINGTON ATTORNEY/STUA	(19,803.00) Entered V2/23/23 B1TS
155636	ALBERTA PROFESSIONAL SER	(681.00) Entered V2/23/23 B1TS
155637	ANGELA WILLIAMSON TURNER	(564.80) Entered V2/23/23 B1TS
155638	CHILDREN'S HOME SOCIETY/	(4,333.00) Entered V2/23/23 B1TS
155639	CITY OF DANVILLE COLLECT	(3,944.66) Entered V2/23/23 B1TS
155640	COMMUNITY EYE CARE	(1,766.44) Entered V2/23/23 B1TS
155641	D&T VENTURES	(236.25) Entered V2/23/23 B1TS
155642	DOMINION ENERGY	(160.86) Entered V2/23/23 B1TS
155643	DRAUGHON/TRACTACY	(8.00) Entered V2/23/23 B1TS
155644	EASTER SEAL SUPP	(3,066.00) Entered V2/23/23 B1TS
155645	GILES/JENNIFER	(126.66) Entered V2/23/23 B1TS
155646	HOWARD/CHRISTINE	(155.00) Entered V2/23/23 B1TS
155647	LICENSE & EXCISE TAX DIV	(8,052.00) Entered V2/23/23 B1TS
155648	MANHATTAN LIFE ASSURANCE	(322.33) Entered V2/23/23 B1TS
155649	NC DEPT OF ADMINISTRATIO	(330.00) Entered V2/23/23 B1TS
155650	NC DHHS OFFICE OF THE CON	(55.00) Entered V2/23/23 B1TS
155651	NC CONNELLSA	(19.00) Entered V2/23/23 B1TS
155652	PERSON COUNTY SHERIFF DE	(30.00) Entered V2/23/23 B1TS
155653	PEDMONT ELEC MEMBERSHIP	(346.00) Entered V2/23/23 B1TS
155654	PINNACLE FAMILY SERVICES	(763.00) Entered V2/23/23 B1TS
155655	REGISTER OF DEEDS	(140.40) Entered V2/23/23 B1TS
155656	RICELATION/VA	(5.00) Entered V2/23/23 B1TS
155657	ROCKINGHAM COUNTY SHERIF	(30.00) Entered V2/23/23 B1TS
155658	SOLUTIONS CSA RESIDENTIA	(1,339.00) Entered V2/23/23 B1TS
155659	TOWN OF YANCEYVILLE	(2,463.95) Entered V2/23/23 B1TS
155660	VERIZON WIRELESS	(263.27) Entered V2/23/23 B1TS
155661	WILSON BROS BODY & FRAME	(7,466.54) Entered V2/23/23 B1TS
155662	ACE HOME & BLDG CENTER	(83.20) Entered V2/23/23 B1TS
155663	CASWELL AUTO PARTS	(833.47) Entered V2/23/23 B1TS
155664	COMCAST	(193.67) Entered V2/23/23 B1TS



Greg W. Isley, CPA, PA
Certified Public Accountant

These are drafts or checks. If you see on the right, this is a whole lot of checks that were written out of ACS, the old system, but never got recorded in Munis that went to the bank. So when we were recording the bank transactions, we found all these checks that were not recorded in Munis. On the right it says entered 1/23/23, and it has my initials. So I entered all these checks in Munis in January of this year. These on the left are transactions that drafted out of your account, but they were not recorded. So we had to come back to the staff here and ask them what are these and where do we need to record them at.



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FY21 Bank Reconciliation (cont'd)

Oct/Nov 2020

EFTs to bank not entered

Other Credits and Interest To Your Account (verbatim from Bank Statement) that is not listed individually on the MUNIS Bank Rec		
Date	Description	Amount
10-07	Credit Adjustment	\$0.98 recorded in Nov 2020
10-14	Dep Item Rtn ACH C: Gina Torain R03 No Acct	44.23
10-20	Check Returned Ret-Stop Payment 155603	53.76
10-22	Dep Item Rtn ACH C: Leasburg Vol Fire Dept R12 Acct Sold	3,942.57
10-23	ACH Deposit COUNTY OF CASWEL Hltl Prema XXXXXXXXXX	388.29
10-28	Dep Item Rtn ACH C: Leasburg Vol Fire Dept R12 Acct Sold	11,001.49
		15,460.65
		\$0.98 sum of amt recorded in Nov 2020
		15,430.35 amt that needs to be recorded in Oct 2020

Credits on Bank, Not in Munis (Client needs to add in Munis as Debit to Bank Account, Credit to _____)		
Date	Description	Amount
11-12	Wire Deposit - Fidelity Bank Wires 43641223	75,757.41
11-12	Wire Deposit - Fidelity Bank Wires 43624845	3,000,000.00
11-13	Wire Deposit - Fidelity Bank Wires 43662618	288,171.19
11-16	Wire Deposit - Fidelity Bank Wires 43699091	1,366,627.60
11-18	Wire Deposit - Fidelity Bank Wires 43750361	319,538.19
11-25	Wire Deposit - Fidelity Bank Wires 43926499 (NCCMT School Constr #4715)	1,010,474.73 Credit would be to Org 490 Object 117020
	Total	6,060,569.12



Greg W. Isley, CPA, PA
Certified Public Accountant

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So these are EFTs or wire transfers into your account that didn't get recorded. These are examples from October and November. If you can read the numbers at the bottom, there was a wire transfer for \$3,000,000 that was not recorded. It you can read that it says Fidelity Bank Wire; it doesn't tell you what it was for. We traced a lot of these back to being Truist construction loans but it doesn't say Truist. You would think if it was coming from a drawdown from Truist, it would say Truist, but it just says Fidelity Bank Wire. Jennifer has to go back to the bank and get them to drill down to the amount and find out exactly what it is so we can record these large transactions.

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FY21 Bank Reconciliation (cont'd)

October 2020

Transactions in Munis that can't be matched to bank

Transactions in Munis, not tied to an amount the bank statement									
EFF DATE	SRC	T	REF1	PROJECT 1 PO/REF2	REF3	REFERENCE	AMOUNT	GWI notes	P
10/31/2020	GWI	1	TAXCOL		TAX COLL	TAXCOL-OCT	-14,154.08		Y
10/28/2020	CRP	1	4130		57	10/01/2020 R	277.40		Y
10/28/2020	CRP	1	4130		58	10/01/2020 R	158.13		Y
10/28/2020	CRP	1	4130		56	10/01/2020 R	101.53		Y
10/26/2020	CRP	1	4130		12	10/01/2020 R	2,257.38		Y
10/26/2020	CRP	1	4130		10	10/01/2020 R	77.00		Y
10/26/2020	CRP	1	4130		9	10/01/2020 R	109.45		Y
10/26/2020	CRP	1	4180		16	10/02/2020-R	30,082.78		Y
10/26/2020	CRP	1	4180		15	10/02/2020-R	150.00		Y
10/26/2020	CRP	1	4180		30	10/26/20-RF-	2,745.00		Y
							-14,154.08	withdrawals	
							35,958.67	deposits	

Greg W. Isley, CPA, PA
Certified Public Accountant

Then lastly this is a list of transactions that are on your general ledger or on your books that we couldn't find. Sometimes we're able to match these up that they're a combination of things. If you can read this, on 10/26 there's all these transactions entered, but they put in like the memo field they are from 10/01. So then we have to go back to 10/01 and say is there something we didn't find on 10/01 because they were entered on 10/26 or they were from the first. The puzzle we're having to put together; we are kind of making tracks. I know the burning question is What's taking so long, but this is what's taking so long. Staff has been great at pulling stuff, and they're having to go back and figure out what someone else is thinking or doing at the time. So it's taken them some time to find it, and it takes us some time to unravel it once we get it.

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was recorded June 30, 2020, but it was deposited on November 19. So we're reconciling November, and we didn't see any of it. That's because the \$1 was in March and the \$160,000 was in June. So we have to work all the months at once because these things being off kilter in your system. We've even found checks written like in Spring that were reported in the following fiscal year. We have to go into that fiscal year, reverse them back out, and put them back into the right year so the books will be correct. The deposit on the right had a sticky note stuck to it. It was deposited 11/10/2020 and it was recorded in their system a month prior. Again sometimes they go backwards, and sometimes they go forward. It's just been a long process of matching these things up. We had to take the same amount of time to look up the \$599.65 deposit as we did the \$160,001 deposit. So I'm going to give you a current update on the bank reconciliations. I don't want to mislead anybody. Our staff has been through the bank statements through January of this year and they've identified all the items that we need to look up on the accounting side to figure out how to enter them. So we've gone through January of 2023 for the NCCMT and small accounts. You have multiple bank accounts. You have one for DSS clients, one for the inmates, and one for the Sheriff's Drug funds. We are having to go through all those accounts and no transactions have been recorded. So we are having to record every transaction for those accounts. The main checking for the end of last year she's identifying items that we need to look at. The ones that have been done for FY23 we sent to Johnna and staff because I know you're working on your budget and you need to know where FY23 stands to be able to plan next year. So we went ahead and sent them the current stuff so they can work on that and you could move along with getting those updated first because they've sent us most of FY21, but we're still just going through it to finalize it. If we don't come up with all of it, we will have to come up with some suggestions depending on the amount or how much it is. Besides bank reconciliation, the other items that we've had to work on when you went to Munis is fixed assets, which weren't entered into the system. You know you have a lot of assets vehicles, buildings and land. So we got the statement from the previous auditor, and we had to make sure they easily matched the audit by fund and by vehicles versus buildings and land. We got all that entered and made import files. We imported those assets into your system. So those are in there now. Then we had to go through the new year FY21 and find anything that's purchased that year. So we had to look at every transaction that was \$5,000 or greater and add those assets if they weren't qualified as a successor. In many cases there were no invoices to support some of it. So we had to call vendors and get copies of invoices so that we could research whether it is a fixed asset or not. I've been through those, and I've gotten a list. I've got to get it ready to import with the only exception of the new school. That was a big project that's going on, and there's chairs, tables, and furniture in there that we have to dissect and break down to see what in the building is to be capitalized. So we've got to finish the FY21, but we have come a long way. There are some other items we went over with Johnna and Bryan at the NCACC meeting such as vacation accruals that are outside of bank entries. We have vacation accruals and finish the bank recons. You have a landfill, and there are entries that have to be done for some cost. Plus, if you were to close the landfill, it could be based on capacity alone. There are pension entries, post-employment benefits and you

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have to post entries for both of those. We were going to record your EMS accounts receivables, what was due from the patients and we requested a report. The report shows you have \$451,000 for patients, but the books say you had \$4.3 million. So we're not sure why that \$900,000 variance is there. So we've got to dig into that. Maybe you had a prior billing company that's holding some of those things. then we're doing the regular normal year-end entries for sales tax, your accounts receivables for the landfill, and property taxes. Johnna of course is working with us with the prior auditor, Thompson Price, but she's getting some work papers from them. She has a relationship them as well. She is working with Thompson Price so that we can move some of these things along to get ready for them. Are there any questions?

Commissioner McVey said evidently this thing has been going on for a long period of time. So why wouldn't the auditors not catch a lot of this that you're catching? We never had many findings on any audit reports that we got previously, and I would think that if the auditors were doing their jobs, they would have been picking some of this stuff up. Mr. Isley said the last report we had was G30-2020. What we're working on is from July 2020 up. Commissioner McVey said I understand that. My point being why didn't the auditors not pick up on some of this stuff that's going wrong. Beverly Stroud said they haven't audited that year. Mr. Isley said they haven't audited the year we are working on. Commissioner McVey said well it just didn't start over night. Evidently this thing's been backing up for quite some time. Mrs. Stroud said I think most of what happened was averted her because we have access to ACS, your old system and we see all your transactions there. We have made reference back to it several times to figure out where to record things. I think when you went through that conversion, it did not go as best as it should have. I'm not familiar with the staff so I'm not blaming it on staff, but I think it was overwhelming. It just never got caught up.

Commissioner Jefferies said the only thing I have is you talked about some of these checks that were held and not turned in for 2-3 months later. Mrs. Stroud said they actually deposited them, but it didn't get recorded. I'm not sure as to why. I think a lot of the papers I get will say I need a code. So they would record the things that they knew where they went, but anything else they held out to get somebody's advice on how to code it. Sometimes it got recorded later. And when they did; they recorded it then which was three months later. Some of it just never got recorded at all. Commissioner Jefferies said I noticed you said about March, you had \$160,000 was not deposited until June. Why is that? Mrs. Stroud said it could have been the bank, but they didn't record it until the end of the year. I'm not sure why. That's why we're having to do all 12 months at once instead of like normally you would reconcile your checkbooks one month at a time, but it's not that simple. Mr. Isley said she was explaining one month, but there are hundreds of these transactions each month. It's not as much in the 2022 year. Commissioner Jefferies said so you are not going back to 2021? Mr. Isley said we started back in July of 2020, and we've gone through. The first thing we had to do was finish all these transactions that weren't recorded, and then we had to find out what are these. They've been digging back to the archives and trying to

find back up for it. It's been difficult sometimes because sometimes there's no journal entry for back up so we have to figure out from that.

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DATE	DESCRIPTION	AMOUNT	recorded
10-01	Deposit	209.40	
10-02	Deposit	373.26	
10-02	Deposit	5,755.51	
10-02	Deposit	36,583.55	
10-05	Deposit	404.90	recorded in Dec 2020
10-05	Deposit	574.00	recorded in Nov 2020
10-05	Deposit	609.92	recorded in Dec 2020
10-05	Deposit	603.55	recorded in Dec 2020
10-05	Deposit	44,086.90	recorded in Nov 2020
10-05	Deposit	180	recorded in Nov 2020
10-05	Deposit	32.40	recorded in Dec 2020
10-08	Deposit	535.00	
10-09	Deposit	154.75	recorded in Dec 2020
10-09	Deposit	133.75	recorded in Dec 2020
10-09	Deposit	609.55	recorded in Dec 2020
10-09	Deposit	831.35	
10-09	Deposit	868.75	recorded in Dec 2020
10-13	Deposit	914.08	
10-13	Deposit	47,041.51	recorded in Nov 2020
10-14	Deposit	290.13	recorded in Dec 2020
10-14	Deposit	369.00	recorded in Dec 2020
10-14	Deposit	429.35	recorded in Dec 2020
10-14	Deposit	782.80	recorded in Dec 2020
10-14	Deposit	2,732.04	recorded in Dec 2020

Mrs. Stroud said these are the files we are working from. There are four tabs across the bottom. As we mark things off; we'll check them off. But you can see the volume of items for each month. There's just so much, and each one of these numbers here such as the \$237,000 represents a whole spreadsheet of numbers we are having to look up. The amounts are too material for us to just start from scratch.

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DATE	DESCRIPTION	AMOUNT	recorded
10-01	Deposit	209.40	
10-02	Deposit	373.26	
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10-02	Deposit	36,583.55	
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10-14	Deposit	429.35	recorded in Dec 2020
10-14	Deposit	782.80	recorded in Dec 2020
10-14	Deposit	2,732.04	recorded in Dec 2020

We have to right the journal entries, put the papers with it, and scan it in so it will get ready for your auditors. Mr. Isley said so if they pull something and question it, you got sufficient back up

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to say what it is. That gives them the ability to express an opinion. I do want to point out one thing about auditors too that I didn't mention. Last week I knew this had occurred, but I didn't know the extent of it. But there were nine firms last year in North Carolina that elected not to be governed auditors anymore. It affected I think 75 or 76 entities, towns, or counties. There are a lot of firms just pulling out of doing the audit work. You know they had in the News & Observer that I think Apple was opening an office this part of state and Google was opening in office. You know a lot of people were saying that's great, but I thought oh no. What they're doing is they're drawing people away from the finance officer positions which makes it more difficult for the rural counties in particular. The other thing that this is doing is it's making it more expensive as far as getting audits done because these CPA firms can go and work on these other companies and get a hiring return than they can on doing local government audits. I know the Treasury is aware of it, the LGC is aware of it, and they're having discussions about what you can do. But the scope we worked at this past year, we've seen the audit costs going up 15 to 40 percent. Then there are some towns out there that can't find people to do their audit because it isn't enough auditors out there to do that work. If you are learning to you want to, you want to make sure you do have a good audit so it makes the Board aware of what issues are out there. You can react to it before. It's a crisis move right now with this state. One: finding the experience talent fulfilling the finance officer role, and two: getting good qualified auditors to do the audit.

Commissioner Rose said all right, a couple questions I have. One: I saw one slide on there I think it was the FY21. You had on there that there were no entries made on DSS client fund and Sheriff Department inmate custodial fund. There were no entries made, but you saw deposits for them. Mrs. Stroud said yes sir. Commissioner Rose said how do you all determine if the amount that was deposited was what was actually received? Mrs. Stroud said we have copies of your bank statement. So what we do is we enter for DSS and the jail because we are just custodians of those funds for the inmates and the DSS clients. There's really only one line item to be posted. SO we post every deposit to that line and then any transaction out to this other line.

Commissioner Rose said how do you know that is what was actually received. I understand what was taken to the bank, but how do we know what was actually received? Mrs. Stroud said we're not verifying those right now. Commissioner Rose said second question: on the slide on the EMS 451,000 that is showing that we did have. That's a big number. Mrs. Stroud said yes sir. I was Finance Officer for Greene County for a while before I came to Greg, but we also used Colletin which I think you're using Colletin for billing. We converted a couple of times to different third-party billing companies, and so we let the prior company carry our old accounts until they did debt setoffs and collections type things like that. If it is a prior company before that we would not know who is carrying that. Commissioner Rose said I'm not trying to put any more work on you, but I guess my question is say like the detention inmate custody fund. Would you have to contact the Federal government because the Feds pay for housing on Federal inmates? Would you have to contact the State or Feds to say how much did you send us? Mrs. Stroud said we would probably have to do that with the Sheriff. We would have to verify the Sheriff's funds, but

the inmate funds, I believe you have a county jail. Right? Commissioner Rose said yes. So the inmate funds are actually inmates you took in. Their money. They maintain commissary money and things like that. Those deposits are in and out. You probably have software that keeps up with the inmates' money, in and out, but we don't have access to that. All we see is what is on the bank statement. What comes in and goes out. Commissioner Rose said so you don't know if that is what actually came from the Sheriff's Office to. Mrs. Stroud said exactly. That'll be able to auditor to sample it when he's doing the audit, and for whoever is in charge of that money at the Sheriff's Office to verify the funds that they removed from an inmate. Commissioner Rose said and it would be the same thing I guess for DSS.

Commissioner Holt said I appreciate all the work you're doing. You're the first person that has come in here and gave us some numbers. That's why we're all probably asking questions. Everything else has seemed to be just glassing it over. It's quite embarrassing that we've got ourselves in the shape, and that no one was watching us. I know it's not you to start pointing out who that is, but they need to take responsibility for that. I saw a lot of big numbers like Mr. Rose said. Is it trending one way or the other that we're going in the negative or positive or can you tell at this point? Mrs. Stroud said I can't tell at this point. It's too many transactions still out there to be recorded. I'm doing it by the month, and I'm working up through the numbers our office has seen. I'm in spring of 2021. So I see the light at the end of the tunnel. So I think we will have them all recorded shortly. When we started the bank records were way in the negative on the books, but not at the bank. So as you're entering, we're coming up to a positive situation. I think once we get the books balanced, we're going to be okay. It's just somethings on the books we got to get them in sink to where we can verify that it's correct.

Commissioner Yarbrough said two or three questions. I believe you've shared one slide there that were transactions that were in the book but not in the bank. Is that correct? Mrs. Stroud said that's the appearance, but as we're working through them, they may show up in another month. Or some have been double recorded. We found some four times recorded reversed out twice. We had to reverse the third time to get it to one time. So it's just different. Commissioner Yarbrough said but what that shows before you dig into it is that those numbers were entered or something, but that money was never put in the bank. Or it was never taken out of the bank. Either or. Mrs. Stroud said we just don't know where it is at. I'm not saying we don't know where the money is at, I'm just saying there's batches like tax that they've recorded positive, but we just can't match it up. Commissioner Yarbrough asked will you be able to? Mrs. Stroud said some of them I have not been able to, but what I'm trying to do is hold out to the end. I'm actually keeping them in one large spreadsheet by the months. Sometimes I match up something up here to something down here, and I'm going to cross them off. But what I want to do is get to the final amount and see where we're at then because I'm going to give them a final list to look up some things that they haven't been able to give me yet just because they weren't able to locate it from another department. We're going to try our best to locate especially anything large. Commissioner Yarbrough said have you seen anything that would indicate any type of fraud by any individual?

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Mrs. Stroud said no sir, I have not. Commissioner Yarbrough asked have all the vendors been paid that you can tell from the transactions? Mrs. Stroud said yes sir. It looks like a bookkeeping issue from what I've seen. I don't know. We don't verify that fraud hasn't happened, but you know it just looks like the Munis conversion went wrong. It's taking us almost a year to clean up a year's worth of stuff. Commissioner Yarbrough said what month was the conversion officially? Mrs. Stroud said October 2020. Commissioner Yarbrough said so it was part of the way through the fiscal year, and Mrs. Stroud replied yes sir. Mrs. Stroud said even in a good conversion that's tough to do in midyear. But when it goes off tract, you have staff to leave, and you've got to have a big training, that is just a perfect storm.

Commissioner Yarbrough said I know you don't know when you will be finished, and I've heard that 100 times. You've got to have a ball park time. Six months, a year, or three weeks. Mr. Isley said as soon as we put a time out there, you're going to hold us accountable. Commissioner Yarbrough said you're right. Mr. Isley said this is like a treasure hunt. You've got to find where these transactions are and get them recorded correctly. What I will tell you is we've got a dedicated team working on a daily basis to push these through so that the financial statements can be written, the auditors can begin the audit process, and you can also work on your budget. I understand the importance of it, and we're going to push as hard as we can to get this done as soon as we can. Then we will provide the schedules that the auditors need to be able to do the audit. I do want to point out something. A bank reconciliation is a key internal control procedure because you need to match up what your ledger says to what's actually going to the bank. Now what it doesn't address, which you brought up a good point, was everything deposited that should have been deposited. Well those are other controls that should be in place, but I will tell you that we're seeing because of turnover in the finance area the lack of bank reconciliations being done on a timely basis. When you don't do that, it is conducive for fraud to occur because you don't have the checks and balances in place and the oversight place to see if something is being done. We've not run across that. A lot of times it's what you don't see that didn't hit the bank is where the fraud is occurring, and you've got to address other controls associated with that. When your auditor comes in you're supposed to address that particular item. I will tell you; you don't have the record for the most consecutive months of bank reconciliations not being done. We went to a county a couple years ago, they hadn't done a bank reconciliation in 25 years, and they had clean audits. Unfortunately, we nailed it down. We can narrow it down to about three hundred thousand dollars' difference. We went to the LGC, and said we could spend five hundred thousand dollars looking for three hundred thousand dollars. Would you like for us to adjust it, mark it clean, and move forward? They said yeah, but when this gets up to date, the bank reconciliations need to be done on a timely basis and on a monthly basis.

Mrs. Stroud said having Johnna here from the NCACC is going to help you tremendously. We have someone here on site that's working on our team on this. Jennifer is trying to learn as well and get trained in her new role. I think Johnna will help with that. Us being on site can definitely

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help us on this project fully help pull things. Here is a person with expertise and connections to get some of these items that we need.

Mr. Isley said one other side project we've been working on is and I think we're coming to a favorable resolution with this. I haven't heard back from the IRS agent, but 2018, you know, you're required to issue 1099s to your vendors. In some manner the IRS did not receive those 1099s in 2018. They were never filed So the IRS came back and was going to assess the excess of half a million dollars of backup and holding. I think we've worked that down to a much lower number now by working with the agent, but the other part of critical accounting routines is when you get to the end of the year, you've got your W-2s and 1099s to issue. They are very aware of the team and those issues right now. I feel good about going forward that will not be missed. It was a very unusual situation because the county actually had documentation that the file was sent. The file was 1099s, but the IRS never received it. They didn't bother to contact until four or five months ago to say we didn't receive your 1099. We're going to access you this amount of money. But working with an IRS retired agent that was staff in the Southeast, he knew who to call and where to get to. I think we're working that down to a much lower number. So that's kind of a side project from what we're doing from the bookkeeping also.

Commissioner Yarbrough said you brought up something a little interesting that I wasn't aware of. We're going to be assessed a penalty by the IRS but you said you brought it down to the lower amount. Mr. Isley said we are working that down, but I haven't heard back from them. Whatever they access, we're going to go to the appeals court and see if we can get that removed. Commissioner Yarbrough said because if the county has documentation to prove the file was sent. Mr. Isley said they had the email that it was sent, and actually some of the vendors have actually sent copies of the 1099s back. But in the IRS eyes, it was never sent. So part of that documentation gets you supplied and dotted. If they do come back with an assessment, we will appeal that. The agent on my staff is like they had a really good shot at it. Commissioner Yarbrough asked this is for what year? Mr. Isley said 2018. Vice Chairman asked if there were any other questions? Hearing none the Board thanked Mr. Isley and Mrs. Stroud and moved on.

PELHAM INDUSTRIAL PARK OFFER:

County Manager Miller said Commissioners, after our last meeting I had a follow-up discussion with the entity that had made an informal offer to purchase land at the Pelham Industrial Park. They now indicate they would probably be willing to pay \$8,000. Deputy County Manager is passing out a map of the Pelham Industrial Park. But I believe the larger question is, do you proceed with this property as originally intended, an industrial property or in light of the Casino development, would you like to explore other options for the parcel of land?

Commissioner Holt said I would at least like to have the discussion. I'd rather see restaurants and motels there. That's just my opinion. I'd like for us to at least have a discussion on it. I know we have kind of tossed it around already.

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Vice Chairman Yarbrough said Mr. Miller, this map that we have in front of us, is this what remains that the county owns at the Pelham Industrial Park site? County Manager Miller said that is correct, the outline and dotted line on the map. Vice Chairman Yarbrough asked what is it that the business is offering \$8,000 on? How much of that area? County Manager Miller said 5 to 10 acres. Vice Chairman Yarbrough said where at? County Manager Miller said that's not been stimulated yet. Then Mr. Yarbrough asked how much is left? Mr. Miller said about 65 acres.

Commissioner Holt said then there's no road frontage because you know it's hard to take that. Vice Chairman Yarbrough said the last land that was sold there, the County received what for it? How much? County Manager Miller said \$8,000. Mr. Yarbrough said okay, and how long ago was that? County Manager Miller said a year and a half to two years. Vice Chairman Yarbrough said what's the pleasure of the board?

A **motion** was made by Commissioner Holt and seconded by Commissioner McVey and not to accept the offer.

Vice Chairman Yarbrough asked if there was any more discussion? Commissioner Rose said I'm kind of in agreeance with what Commissioner Holt said. We don't know what's going to happen the way on that north side with the casino. There is a chance we could develop or to get restaurants and stuff over there, but we don't know yet. But if you get rid of all of it, you don't have it.

A **motion** was made by Commissioner Holt and seconded by Commissioner McVey and **carried unanimously** not to accept the offer. (Ayes: Commissioners Holt, Rose, McVey, Jefferies, and Yarbrough)

Vice Chairman Yarbrough said motion carries. We will not be partnering with that parcel. Now back to your original statement Mr. Miller, is the board going to have a discussion about changing the designation of this site from industrial to what would we call it, recreation? County Manager Miller said Mr. Chairman I'm happy to bring you back some information on the restrictions that are attached to the Pelham Industrial Park and let you see what those mean. Vice Chairman Yarbrough said all right. Sounds good.

Commissioner Holt said I think we should investigate and see what our options are. Road frontage is everything. We sell all that road frontage and the rest of it is just useless.

OPIOID SETTLEMENT:

County Manager Miller said Commissioners, this supplement to the MOA is called the "Supplemental Agreement for Additional Funds from Additional Settlements of Opioid Litigation" or "SAAF" for short. It provides that the bulk of North Carolina's money from the Wave Two Settlements will go to counties and municipalities to address the opioid crisis. The SAAF extends the basic terms of the MOA governing the Wave One Settlements to the Wave

Two Settlements. The distribution formula and spending restrictions will mirror the original MOA allocation model outlined in the first settlement agreement which we signed in 2021. This is good news for Caswell County, and we look forward to the discussion and we look forward to the potential authorization for us to move forward with the opioid settlement resolution under the action items. I'm happy to answer any questions you have. We have our County attorney with us tonight, and he can also jump in and answer any questions you may have.

ACTION ITEMS:

PTRC HOUSING CONSORTIUM:

County Manager Miller said Commissioners, we have with us tonight Matthew Dolge, Executive Director of the Piedmont Triad Regional Council. He is joining us tonight to explain the Housing Consortium we are being invited to join. At this time, I'll ask Mr. Dolge to speak with us about the Housing Consortium and the resolution attached.

Mr. Dolge said Mr. Chair and Board members, it's a pleasure to be before you today. I'm Matthew Dolge, Executive Director of PTRC. I want to value your time and just briefly, this is the first time I've had a chance to speak to you since Nate Hall passed. He was on our board and I got to know Nate 12 years ago through the merger process in our region. He was a trusted voice and a consensus filler for our board, and his loss was taken very deeply by a lot of our board members. I just wanted to make sure that you knew that we appreciated you lending Nate to us for all the years you let him come down and serve on our board. He loved where he was from. Nate was a huge proponent of everything Caswell County. He represented the folks well. So thank you for that.

I am here to talk to you today about an opportunity to take part in a HOME Consortium. First, I'll tell you a little bit about what a HOME Consortium is and what that does. The home program is under HUD at the federal level. The HOME Consortium program was started way back in the Regan Administration when they felt like rural areas and small towns and counties were not able to access housing funds like the big cities were able to. So what they did is they put together a program where smaller areas could basically form a consortium and come together for mass, and then received direct funding from HUD. We've had one of those in our region when we were Northwest Piedmont. We had one in our rural Northwest counties, which are Yadkin, Stokes, Davie, and Surry. Surry County is the lead in that. We've had that for about 28 years. They get about six hundred thousand dollars a year, and that's flexible money to use towards whatever housing needs the members of the Consortium feel like they'd like to address. They've developed about 800 housing units over the time they've had those funds in those four rural counties. The types of projects that they do is usually one of the questions I get, and it is pretty flexible money. It's generally used with projects to leverage private investment or work with non-profits to meet whatever house they need you might have. A lot of the work in those four counties that we have in our region that have a Consortium have been building elderly housing, duplexes, or apartment complexes in a lot of our smaller communities that needed that. We've worked with a lot of non-

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profits and church-based non-profits to redevelop. Quite frankly the problem with apartment complexes or things that communities weren't able to take care of, we can make deals to buy and have a non-profit that would have them redevelop those and make them a more positive impact on their communities. Habitat for Humanity is a great partner for us in those counties. So we would for example buy materials and then they're using volunteer labor to build houses for folks. So there are a lot of different things you can do with it. Right now Mount Airy is working with us, and they've asked for funding for a 20 bed transitional facility for folks who are dealing with substance abuse issues, which is a huge influence for Surry County. So they asked for some funding for that. The Consortium we're talking about here, really, we're talking about it now because Greensboro used to have a Consortium that included Burlington and Alamance County in. They changed their government rules, and Burlington and Alamance decide they didn't want to participate in that Consortium any longer. So we saw an opportunity to develop a new one. The members had to be contiguous, and so we're talking to Rockingham, you folks, Alamance, Burlington, Randolph, and Davidson Counties. All the other members at this point said that they would like to be considered and take part in negotiations over a Consortium if they could be included. It looks like based on current funding this Consortium would generate about maybe just over two million dollars or two million dollars a year that could go for projects within the members. How we work our current Consortium is every member appoints two folks to sit on the board. We bring projects forward and administrate at PTRC, but we don't make any of the decisions on where the funds go. All those decisions are made by the membership which are usually County Managers, an elected official, or a private citizen from each of the counties as an appointment. What we need from you at this point would just be an expression of interest, and we would get that to Burlington. Burlington would be the lead because they already worked with HUD. There has to be one entity within the group that receives funds, and then disperses it out for projects. It's responsible for those. They're already engaged with HUD. So they have access to the financial systems, and that make sense to use them as the lead entity within this. If you would like to take part in that, then what we'll do over the next couple months is get the folks together who are interested, build the documents for a Consortium, and then you would have another opportunity at that point to look at the agreement between all those members of how it will be governed and formally approve that, which would need to be done by June 3. I know that's a lot. I'm more than happy to answer any questions that you might have around this. I will tell again I've been to Rockingham and Alamance Counties this morning, and they have decided to move forward with this with all the other members: Rockingham, Randolph, and Davidson. So we are interested in having you take part, but again that's in your hands. We're more than happy to move forward if you would like.

Vice Chairman Yarbrough asked if there were any questions? Commissioner Holt asked is it mostly renovation type hood projects, or is it brand new? Mr. Dolge said it can be either. So that's the neat thing about it. It's what you need in your county. You could decide you're going to spend a couple hundred thousand dollars on housing rehab to help folks maybe in a

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neighborhood that you'd like to see housing brought up to code. You can work with a developer to build new apartments that you might have for the elderly within your community that you need. What this money is really used for is kind of a leverage for other investments. So an example is we did a 30 unit adult or elderly housing new development in King, North Carolina in Stokes County. It was about a 3.5 million dollar project, and the home Consortium lent the developer a million dollars. So that comes back into Consortium, but that was the leverage that that developer needed for a low interest loan to get the rest of the financing in place to move forward. So there are a lot of different types of projects. I think the neat thing about this program is it's really what you want it to be. There are some guidelines obviously. You can't go out and build luxury houses for individuals or something like that, but it can be a lot of different things. It can work with current housing. It can be new housing or the redevelopment of things that are on the ground.

Vice Chairman Yarbrough asked if there were any more questions? Then he said you need for us to show interest. Am I correct? Mr. Dolge said at this point it's really just a show of interest. We would pass that on to Burlington. We'll be setting up a meeting between the folks who are interested, and then you'll have an opportunity with a Consortium agreement comes together to decide yea or nay on that final membership at that point. Vice Chairman Yarbrough asked what's the consensus of the Board? We're not committing ourselves to anything, correct?

A **consensus** of the Board was given to show support of the consortium. (Ayes: Commissioners Holt, Rose, Jefferies, McVey, and Yarbrough)

Mr. Dolge said thank you. I will get back with staff, and we've come back to you with a presentation once that Consortium agreement is completed. Thank you.

OPIOID SETTLEMENT RESOLUTION:

County Manager Miller said Commissioners, you have just had the opportunity to review, discuss, and ask questions about the Supplemental Agreement for Additional Funds from Additional Settlements of Opioid Litigation. I would ask that the board consider taking action on approval of the resolution you have in your agenda packet. If it pleases the Board I'm happy to read the resolution. Vice Chairman Yarbrough said go ahead. Resolution to follow.



**RESOLUTION BY THE COUNTY OF CASWELL
AUTHORIZING EXECUTION OF OPIOID SETTLEMENTS AND APPROVING THE
SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE
OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING
TO THE SETTLEMENT OF OPIOID LITIGATION**

WHEREAS, the opioid overdose epidemic had taken the lives of more than 32,000 North Carolinians (2000-2021);

WHEREAS, the COVID-19 pandemic has compounded the opioid overdose crisis, increasing levels of drug misuse, addiction, and overdose death; and

WHEREAS, the Centers for Disease Control and Prevention estimates the total economic burden of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct; and

WHEREAS, settlements have been reached in litigation against Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors named in these Settlements; and

WHEREAS, representatives of local North Carolina governments, the North Carolina Association of County Commissioners, and the North Carolina Department of Justice have negotiated and prepared a Supplemental Agreement for Additional Funds (SAAF) to provide for the equitable distribution of the proceeds of these settlements; and

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WHEREAS, by joining the settlements and approving the SAAF, the state and local governments maximize North Carolina's share of opioid settlement funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible; and

WHEREAS, it is advantageous to all North Carolinians for local governments, including Caswell County and its residents, to sign onto the settlements and SAAF and demonstrate solidarity in response to the opioid overdose crisis, and to maximize the share of opioid settlement funds received both in the state and Caswell County to help abate the harm; and

WHEREAS, the SAAF directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis;

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Caswell County hereby authorizes the County Manager or County Attorney to execute all documents necessary to enter into opioid settlement agreements with Walmart, Walgreens, CVS, Allergan, and Teva, to execute the SAAF, and to provide such documents to Rubris, the Implementation Administrator.

Adopted this the 6th day of March, 2023.

S/ Tim Yarbrough
Tim Yarbrough, Vice Chair
Caswell County Board of Commissioners

ATTEST:

S/ Carla Smith
Carla Smith, Clerk to the Board

SEAL

A **motion** was made by Commissioner McVey and seconded by Commissioner Rose and **carried unanimously** to show support of the consortium. (Ayes: Commissioners Holt, Rose, Jefferies, McVey, and Yarbrough)

COUNTY MANAGER'S UPDATES:

The County Manager said Commissioners, I'm happy to answer any question you may have about Broadband or any other subject. I think I have given you the most recent broadband updates I have. I have had another meeting with Spectrum, but not a lot changed during our conversation. We're still trying to nail down dates that construction that has been completed will be released and mailers will be mailed out to residents. But you have the most up to date numbers. I'm happy to update you on anything else that you would like.

Vice Chairman Yarbrough said just a construction question for my benefit personally Mr. Miller. I see these contractors putting in the overhead or the part time underground and part time over head. What's the minimum height they're putting that cable? Do you have any idea? County

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Manager Miller said I do not. I don't know what their requirements are for height. I do know that if it does not meet the minimum for height requirement that they'll do one or two things. They'll either choose to go underground because remaining on the poles is cost prohibited, or they'll work with the energy provider, whether it be Piedmont Electric or Duke Energy, to have the poles replaced. One of the two. Vice Chairman Yarbrough said the only reason I'm asking is they are in my part of the county now, and just looking at it from ground level, you see areas where they're high on the pole with plenty of ground clearance. Then you run up on some areas where the ground clearance is not all that substantial. I ask for my own benefit because some of this equipment we use on the farm has got some pretty good height to it. I don't want to be held responsible for tearing a line down for somebody's internet. County Manager Miller said so in my discussions with Spectrum and pole replacements, it's not necessarily been the height off the ground that the cable is. There's a height requirement from the power lines too. A lot of times the height requirements from the power lines themselves is what indicates whether they're going to have a pole replacement or they have to go underground. So they're trying to judge doesn't meet the height requirement from the ground up or from the line down. But I can find that out if you would like. Mr. Yarbrough said he would appreciate that.

COMMISSIONER COMMENTS:

Commissioner Yarbrough: I have one thing and I really hesitate to bring it up. It's been on my mind so I will bring it up. It was concerning the vacancy on the Board, and I appreciate the Democratic Party sending this letter. Mr. Miller I appreciate you reading it. The last statement and last sentence there on the front. The statute says "The board of commissioners or the clerk of superior court, the case may be, shall consult the county executive committee of the appropriate political party before filling a vacancy." But it's a comma after that. It's not a period. It reads "but neither the board nor the clerk of superior court is bound by the committee's recommendations." I want to make that very clear that just because a political party makes a recommendation to fill a seat, it does not mean that the board has to accept their nomination so to speak. It is entirely up to the Board of Commissioners to fill that slot with who they think meets the requirements according to the statute, but who they feel is the most qualified. I just wanted to clarify that because as I know some other members have had since our meeting in February, I've received some let's just call it Not So Nice emails and U.S mail. But the statements that I made and the decision that I made at that meeting, I think were reasonable and we're according to the state statute as I read it. The statute says be a resident of the same district as the member being replaced if the county is divided into electoral districts. Nowhere in that statute does it mention old district or new district. When the election was held in November, the district lines changed in this county, whether you like where those lines are or not. They are the lines that this Board approved. I was not on the Board when it was approved. That's neither here nor there, but those lines are the lines that are in place today. This board approved those lines. An election cycle has been had in November. In my mind those are the lines that we have to adhere to. I wanted to get

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that off of my chest tonight. Are there any other things to come before the Board tonight? If not, a motion to adjourn is in order.

Attorney Ferrell said Mr. Chairman before you adjourn on that subject, I just did want to mention the 60-day timeline that the Board has. If it's going to fill the appointment, it's got to be done within 60 days of the date of the vacancy. Then if not, it goes to the Clerk of Superior Court to fill that vacancy. I know you're aware of that. I just thought I'd mention as a follow-up to your comment about it.

Vice Chairman Yarbrough said thank you Mr. Ferrell. I believe that date is March 17th, which will be before our next regularly scheduled meeting, if I have done my math correctly. But thank you Mr. Ferrell. The clerk actually has 10 days after that 60-day period. Correct, Mr. Ferrell? That's correct replied Attorney Ferrell.

ANNOUNCEMENTS AND UPCOMING EVENTS:

- March 8, 2023 Tri-County Meeting with Rockingham and Stokes Counties at 6:30 pm at the Governmental Center in Wentworth, NC
- March 20, 2023 Commissioners Meeting 6:30 pm

ADJOURNMENT:

A **motion** was made at 7:53 pm by Commissioner Rose and seconded by Commissioner McVey and **carried unanimously** to adjourn the meeting. (Ayes: Commissioners Holt, Rose, Jefferies, McVey, and Yarbrough)

Carla R. Smith
Clerk to the Board

Tim Yarbrough
Vice Chairman

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