

**CASWELL COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**February 5, 2024**  
**OTHERS PRESENT**

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Jeremiah Jefferies, Chair  
Finch Holt, Vice Chair  
John Dickerson  
Ethel Gwynn  
Rick McVey  
Frank Rose  
Tim Yarbrough  
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Scott Meszaros, County Manager  
Melissa Williamson, Deputy County Manager  
Jennifer Hammock, Finance Director  
Melissa Miller, Deputy Finance Director  
Russell Johnston, County Attorney  
Carla Smith, Clerk to the Board  
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The Board of Commissioners for the County of Caswell, North Carolina, met in a Special Meeting on Monday, February 5, 2024 at 4:30 pm at the Gunn Memorial Library.

**INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL:**

Chairman Jefferies said good afternoon everyone. We like to open up the meeting to the International Economic Development Council, and Mrs. Crater, we will let you start it out.

Dana Crater said good afternoon. Can you see my screen, if I share the presentation? Melissa Williamson said yes. Mrs. Crater said are you able to see now? I apologize for not being there today. The flu has taken its toll on my house. I will apologize in advance as well if I do start coughing in the middle. So I'm Dana Crater. I'm the Director for Technical Assistance with the International Economic Development Council. I had the honor of being part of the Technical Assistance team that visited back in June of 2023, and I'm delighted to be here today to present what our observations were and some of our recommendations. So as I mentioned I was part of a panel of three of our members: Kelly Hinkle, who was the Deputy Director for St. Mary's County Department of Economic Development in Leonardtown, Maryland, Roxanne Frye, who's the lead Economic Development Manager for LG & E and KU Energy in Louisville, Kentucky, and Walter Sprouse, who is the retired president of the Randolph County Economic Development Corporation in Asheboro, North Carolina. This project is funded through a grant from the US Economic Development Administration's Atlanta Regional Office. That IEDC is received to provide technical assistance to communities across North Carolina, parts of Florida, Georgia, Mississippi, and Alabama. As we discussed for the scope of work for this project is to develop an economic development action plan with a particular focus on the Pelham Industrial Park. So how IEDC's Technical Assistance Program works is we define the scope of work, we do some site visit preparation, and we write a background report. We come for two to three days to meet with stakeholders, and at the end of the site visit to present some preliminary recommendations. Then we spend time writing a report and doing case research as well. During our site visit, we had met with the Economic Development Commission, the elected officials, Small Business and Entrepreneurship, tourism and events, the representatives from the agriculture industry, Workforce Development, regional and state partners, and the community inclusion group. So our observations, and I I'm sharing these observations on behalf of our panel as well as myself. I apologize our panelists were not able to join me for today's presentation, but

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we were just really impressed on how friendly, clean, beautiful, quiet, and relaxing it was. We stayed in Mebane, but as we were driving into the county, we were really impressed with our first impressions of Caswell County. Then as we continued to drive through the county, whether we were up at the Pelham Industrial Park, we went over to Milton, and really drove around the county. You have such a beautiful community and beautiful place to live. We're really in awe about all the natural assets. There's so much opportunity for outdoor recreation that was pointed out and for agriculture. It was also pointed out to us that the agriculture sector is diversified, and it's got a rich history as well in the community. The panel was very impressed with the entrepreneurial toolbox that is available in the County and just the different tools for entrepreneurs that want to start a business. How much opportunities, whether it's co-Square, whether it's the SBC, the economic development, the chamber, or the Arts Council? Everyone working together, there's just opportunities there. And also Piedmont Community College, not only their campus in Yanceyville but also the Center for Education and Agriculture Development, the three-phase plan that is coming to the Pelham area. That is such an asset, and we really were very impressed by that opportunity. One of the things we looked at opportunities for was economic resilience. You really have a lot of existing assets to build on. One of the things we just thought to really focus on is to really identify what the vision for the county is, for an economic development vision, and the Pelham Industrial Park. There's really an opportunity for the county to really gather behind the common vision for both the park and for the county as a whole. As I mentioned there's a lot of great assets, and it's an opportunity to leverage the quality of life assets.

County Manager Scott Meszaros said Dana, I'm not sure if you shared your screen. We just can see the little icon with you on it. Mrs. Crater said oh no. Melissa Williamson said yes because I knew you said something about you were going to have some slides. Mrs. Crater said I've been reading my slides. Melissa Williamson said I didn't know if you were starting out talking and were waiting to present your slides. I wasn't sure. Mrs. Crater said oh my goodness. I am so sorry. Melissa Williamson said that's okay. Mrs. Crater said let me see if I can figure out why it's not sharing. Cara White from I.T. said it's sharing, but it's only sharing your desktop. Mrs. Crater said I apologize. So the other opportunity is really to brand and promote the county both internally and externally. Just some opportunities there as part of that plan, and I apologize you missed my slides. If you want I can go backwards, but if it's okay if you all continue moving forward. Vice Chairman Holt said that'll be fine.

Mrs. Crater said so these are some recommendations that the panel developed. We really identified two target industries: agriculture and agriculture technology and visitor attraction and outdoor recreation. In Economic Development usually economic development organizations will focus on a two to three or four, and larger communities have sometimes five or six target industries. But for Caswell County, we found that agriculture and agriculture technology and visitor attraction and outdoor recreation are really two target industries. We recognize there is

manufacturing already occurring in the county, and that will continue to be an industry that is part of the county. In looking to attract agriculture and agriculture technology, the recommendation is to look at visitor attraction and outdoor recreation. The other area to focus on is entrepreneurship. Really leveraging the tools you have and growing from within is a second area to focus on for the county. I put this slide in while I was looking through Research Triangle International or RTI International. Recently in 2020 they had done an industry cluster market analysis on the North Carolina Innovation Corridor, but I wanted to just point out the interesting number of agtech is in North Carolina and agriculture activity. It is one of the focuses. As I was looking at different pieces or articles recently about the Agtech industry, North Carolina really is at the center. Research Triangle Park has a huge agtech focus and their territory is right next door to Caswell County. So there really is an opportunity to build off that. You have the agtech Associates Program that's going to be happening right across the street at PCC, Piedmont Community College, and you also have a bachelor's program in agriculture technology engineering at NC State just down the road. So there's really an opportunity to really take your roots in agriculture and also kind of look at the agtech as an opportunity to expand and grow in the county. So one of the recommendations when we were talking specifically for the Pelham Industrial Park and the area around it, we understand there is no zoning up there, but one of the tools that can be used is branding and designating the corridor as an Ag Innovation Corridor. It's an opportunity. First it will actually brand the corridor as a marketing tool to grow attention that this is the types of businesses you're looking for. This is where you have assets. This is to an external audience as a way of attracting new development into the industrial park. Another part of it is also it helps the community kind of say this is what we want in this area. So that would include the center for CEAD and include the industrial park. You would have to designate what those boundaries are that you want for the corridor, but it's a tool to drive attention to an external market and an internal market. One of the thoughts we had was to rebrand the industrial park to a business park. It's kind of broadening out the opportunities for the industrial parks especially since you have the Yanceyville Industrial Park which has available space there. So kind of changing it a little or slightly and shifting the focus.

Another recommendation was to option the land surrounding the park around the Ag Innovation Corridor. This is something you would have to work with the County's Attorney, but that is an option. So that if the land were to change ownership, the county would have first option to see if they want to option the land to be part of or if you had interest in growing the corridor or growing the industrial park and the Business Park area. That would provide the county some different options. One of the items that we saw when we were driving around the site, we went in, and our little van started to get caught in the park, and so one of the things we were suggesting is to pave a road entrance, add gateway signage, and clear and prepare a site. So kind of looking at a site, and when someone comes in or a business comes in, they're able to see what that site would be. We've seen some communities go as far as not only clear the site just down to either dirt or grass, but they've also done virtual spec buildings that have already been permitted.

So that it kind of gives a business that's looking to turn around quickly the opportunity to have the site ready for faster turnaround for a business to come onto the site. So that was one of our recommendations to really to get a pad, not all 70 acres necessarily, but have at least a pad cleared and ready for future development. One of the suggestions when I was talking with a gentleman in North Carolina who's done a lot of work, and there's a tool called tax increment financing that is used in Economic Development. It's a frequent Economic Development tool used in a lot of other states more frequently. It's not used very often in North Carolina. We've seen it being used as a Synthetic Tiff Tax Increment Finance District without going through the full tax increment financing. From my understanding at the moment there is no tax increment finance districts currently in the state of North Carolina even though it is a tool that is allowed. But when I was talking with him, he suggested that we look at the Johnson County Economic Development and Training Districts. Apparently it's a tool that counties can use that was put together in 2003 by the North Carolina State Legislature. They had made it available for counties, and it includes Workforce Development, which you would have some of that over at the CEAD already. You would be able to use it as an economic development tool for different opportunities for the area. It would be something that I would recommend if this is an idea that you want to pursue in talking with the County Attorney, as well as looking at the legislation and how it's been set up, and look at what the opportunities are that may be a possibility for the Pelham area. Another recommendation was to pursue getting the site certified. The certification tells prospective businesses or developers that the county has brought in a third party that is validated that all this information is accurate, and that this is a site that's ready for development. One of the things we found when we were there and looking on the Economic Development Partnership of North Carolina's North Carolina site search, and we found that some of the information was out of date about properties that were available and who to contact for Caswell County on the State Economic Development website. So that was one of our other recommendations. It was to focus on make making sure that's updated and checking that on a regular basis because site selectors do use that information and EDPNC does use the information to promote different sites as well. Other ideas we had regarding Pelham, we understood that the industrial park's been around for 30 years, was to really do an analysis on other projects that may have been considered at the site but were lost, or they didn't go into the Pelham Industrial site. Where did the projects go? What factors caused the project to go elsewhere, and look to see if there were issues that could be addressed. We also suggested a marketing piece as well just to really have a piece that can be provided to really promote the site externally. When we looked at entrepreneurship, you have a lot of tools for entrepreneurship even working with the Ag Extension. From the ag extension, from Co-Square, from the SBC, the have the Community College, and all these different tools that are available.

One thing I would point out, if I was coming from the outside looking in, is how do I start a business. I don't always know, but I know because of what I do, to go to the small business center. But if my neighbor wanted to go start a business, they wouldn't necessarily know to go to

the Small Business Center. So really getting information out on where all the resources are and I suggest to put together a process that is easy to find online on how to start a business. We've seen some of the towns and counties around North Carolina started to put together either kind of a workbook or guide, or they at least put the order and who to contact. Another thing is to look at how to scale homebased businesses, farms, and you have the incubators of graduates that are going to be coming out in a few years from the CEAD Program. Looking at really how to scale those businesses and how to grow. A lot of people have picked up side gigs and have homebased businesses that they just need that little push to sometimes move them from out of their garage or out of their living room and into a space whether it's in downtown, in the Yanceyville Square, if it's in Milton, or if it's in another part of the county. Really looking at how to do that. One of the other recommendations we had was to really create an external site that really tells who are the small business owners and who are the entrepreneurs in Caswell County. So really we've seen some communities will just have their own site that sits and tells the stories of the different entrepreneurs. Some have done social media accounts, but it's really an opportunity to tell the story of the businesses in Caswell County and really help share all the great businesses that are going on there. Because sometimes seeing a story and seeing the process, there's people that may have an interest in a neighboring county that just don't know. But when they see that network, they see who their peers are, and they can see themselves as part of that entrepreneurial community. So that was another suggestion or recognition we had for embracing entrepreneurs.

One of the suggestions we had for the visitor attraction and outdoor recreation is you guys are blessed just over the Virginia state line where you have the VIR, Virginia International Raceway, and the Caesar's Casino. Those are great because you may get some day traffic, you may get occasional AirBnB stays. We heard there's some AirBnB's over by the lake, but you really are set up right now as a place to get day trippers. Looking at and inventory all your assets, understand what the visitor attraction outdoor recreation assets are, and the commercial industrial assets would fall under the Pelham research. But one of the things I also put in the report is really looking at thinking of different types of people or different types of profiles that would be coming to Caswell County. When we were there, we heard about history, art, outdoor recreation, the golf course. So we heard about all these different types of people and so really looking at those different profiles, create profiles and think about what would attract those different tourists to come. Your location really gives you the opportunity to pull a lot of people that would make a day trip or an overnight trip who are looking for things within an hour to five hours of driving. So I think there's a lot of opportunities to really leverage your assets and really start to build that visitor attraction from within a few hours' drive that may come for a day or two to visit or come in and out to really try to capture some of those people. Another thing we found out is really creating community events on Main Street in Milton and Yanceyville really drive foot traffic. We hear when there's events going on, such as the Farmers Market in Yanceyville, the businesses in the Yanceyville Square do see some uptick when there's the holiday programs and the Hoedown. They see some uptick, but really creating some of those offseason and really each

season to drive people in. Whether it's a movie in the Square, we've seen soup walks, we've seen people or businesses sponsor things. There's a town in Alabama that businesses sponsor miniature golf holes. They put little putt putt holes around their downtown area, and businesses and the community comes because it's fun to go play putt putt around downtown. It gives you something to do in the summer months. It's an extra attraction. So looking at some opportunities to really grab people. We've seen coffee and cars bringing the old historic cars in. There's the Jeep meetups, and they sell bags of ducks to put on for the Jeep meetups. There's all sorts of fun activities that can really get the community together. As you're sitting in the library, we've even seen a library do a scavenger hunt around town to get people and families to come out. I believe that's my last slide so I'm going to stop sharing my screen and see if there's any questions I can answer. I'm sorry. I threw a lot at you.

Melissa Williamson said Dana, will you be sending this slide to me? Then I can forward it on to Carla, our clerk to the Board, and she can send that out along with the report that you had sent. I have that so I can attach that, but this slide as well, if they would like to have a copy of all that, so they can have time to go back and review it. Dana Crater said yes.

Commissioner Yarbrough said Dana, when you were here back in June, I believe that your group made the statement about the casino that we probably wouldn't see any great economic effects. Am I right? Mrs. Crater said our comments was focused on we don't think that the industrial park would be the prime location to really look for the hotel. From what we heard from the Casino manager that spoke with us, most of the high rollers they're going to try to keep at the casino. So you would get some of the day trip people, but the county with the connection with the CEAD and the activity there, you would have better opportunity to focus on looking at agtech, looking at some of the more potential higher income jobs for the county.

Chairman Jefferies said I noticed from one of your interviews and in talking, you said that we need to have the site ready to go when we get ready to show it. Is there any grant money out there that we can get to help with this? Mrs. Crater said I'm sorry. County Manager Meszaros said the Chairman has asked if there's any like seed money or grant money to clear some of those lots or do some prep work? Melissa Williamson said I know we've been talking about that recently is if there's some out there that we can go for. Mrs. Crater said we have been talking about it. We were talking about it an hour ago too. I'm going to talk to some connections that I have to see if there may be some more opportunities. I provided Melissa and Tony with some different partners to reach out to in the State that may be able to advise on some opportunities. I know that there was, Golden Leaf had their opportunity open, but I don't know if it's still open currently. They do, I believe, it's every year, but don't hold me to that. But Golden Leaf Foundation would be an example that there may be some grant opportunities.

Chairman Jefferies said does anybody else have any questions?

Commissioner Dickerson said could you elaborate on the economic development corridor you mentioned. Mrs. Crater said sure. So we understand that area or part of the county has voted

against zoning, but looking at a way to really brand the corridor and looking at the road that both the CEAD and the Pelham Industrial Park are off of, the county would have to decide what the exact borders would be. But it's a tool to say we're really looking to market this as an Ag Innovation Corridor or Ag Tech Corridor. We really are looking to try to get Ag Tech businesses into this area. Sometimes you'll see support with special incentive that are connected with that. So it's kind of a tool. For instance, I lived years ago in an Arts District, which would be another example of a way to think of it, where the city had designated six blocks or eight blocks as an Arts District. We've seen it in the state of Maryland that had different towns that they would designate a set of blocks. Some town as small as 2,000-3,000 people, but they would designate these blocks and art businesses that would locate there would get sometimes an incentive or a benefit. There'd be additional services that would be given to any business related to the arts that located in that area. It's similar with this. It would be an Ag Innovation or Ag Tech. It would be used as a tool to try to attract agriculture innovation and Ag Tech businesses. You can leverage the CEAD and the Ag Tech Associates program across the street from the Pelham Industrial Park. There would be the potential if you wanted to add an incentive or something to try to encourage a business that may be considering the area to enter or locate in that location. But really it's a tool to kind of say this is the type of businesses we want in this area. These are the different services that we really are focusing our marketing for this area as having this focus.

Tony Smith said Dana, we're seeing increased traffic down Highway 86 headed towards Danville. Do you think we should pursue extending water and sewer lines beyond the town limits to pursue home developments? Is that economic development in your mind? Mrs. Crater said do you think there'll be developments from businesses like service stations and in that sort? Are you looking at it from workforce housing? Tony Smith said workforce housing primarily and some retail. Mrs. Crater said that may be an opportunity to pursue for that area. I would look to see what the possibility of workforce housing is. I know some communities will do a housing study to determine what type of housing is needed, and then determine the water and sewer needs for that from that direction. I would look to see what type of workforce housing is needed because there may be opportunities. Tony Smith said it could be developers because I know around Danville/Axton area, they've got large development going in housing complexes. So you may have a major investor come along that wants to develop a farm, and they'll need water and sewer to do that. Mrs. Crater said I'm not an expert in public policy, but there may be an opportunity to look at. We know some communities will bring or extend water and sewer and prepare an area, but they'll zone it for workforce housing. Knowing that the area doesn't have zoning, you would have to take that into consideration if there would be anything you want to put in place before to kind of guide it before you put the water and sewer extensions out there. Say that this is an area designated for workforce housing or something. Tony Smith said thank you.

Chairman Jefferies said anyone else?

Melissa Williamson said thank you Dana, and I hope you and your family get to feeling better.

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Dana Crater said thank you. I apologize again for not being in person today and not being 100% myself, but I hope that the information we provided is helpful. If there is something where we can send a volunteer to help with implementation of any of these recommendations or anything to start or help start off a project, please reach out. The Board said thank you, and Dana Crater replied thank you.

Vice Chairman Holt said Tony, I didn't agree with a lot of things that Bryan said, but one thing he did say, and I've asked some people in the know, that when you start looking at just housing it strangles the county because the services outweigh the expense. If you don't have retail and industry, you can't come out. Tony Smith said right. what I see in Caswell Pines is we getting a lot of growth there from people from California. They're coming in there retired people. They don't require a whole lot of services. They don't have kids or the kids are grown. So hopefully we could have something to target those type of people in the county. You're right. We need water and sewer extending from Yanceyville towards Danville to be able to bring in that type of growth. A septic tank and well just won't do it.

Attorney Johnston said Tony how far south does the Danville water line come down 86. Vice Chairman Holt said to the school. Tony Smith said then the Town of Yanceyville goes almost to the school. It comes up old 86. Vice Chairman Holt said the water line goes to it, but they won't let people tap on to it. Because that lady that has that Garden Center where the road forks, she been told she can't tap on to it. She wanted it bad. Why I don't know. Attorney Johnston said she could tap on, but I think they had to pay to dig under the road since it is on the opposite side of the road. Vice Chairman Holt said I was thinking maybe they didn't have a hooked up line. So anybody out there can tap on? Attorney Johnston said yes. It's advantageous if it's on their side of the road. But if they have to bore under the road, it's going to cost you. Chairman Jefferies said she came before the Board several times, and we turned it down. She wanted the County to put the water over to her place. Attorney Johnston said another thing when she mentioned the option on adjoining properties, Tony how much land is left to develop in the actual industrial park? Tony Smith said you talking about Pelham? Attorney Johnston said yes sir. Tony Smith said it would be about 65 acres after the project we're talking about. Attorney Johnston said are you familiar with the Booker track that joins the Pelham Industrial Park? Tony Smith said I've seen it. Attorney Johnston said okay. From what I recall that track is close to 150 acres or 200 acres on the North Side of Highway 700, or if that may be an option the Board would consider it. Maybe to research. I thought that was a good idea.

Commissioner Dickerson said how does the option work? The county basically gets first crack at the property when it changes hands. Attorney Johnston said we can prepare a right of first refusal, and they could execute that. I'm not sure what the monetary value that would be, but that's something we could at least look into and see if the landowner would be amenable or open to looking into it.



Vice Chairman Holt said what I didn't hear from her anything industrial. It just seems to all go to ag tech, and I was disappointed in that. Scott Meszaros said it's kind of the easy solution because that's what you have already. Right Do more of this.

Commissioner Yarbrough said ag is \$103 billion industry in this state. The largest economic driver in the state of North Carolina. We can shun it if we want to, but it's a lot of money there. It went from \$90 million about five or six years ago to \$103 last year. Melissa Williamson said I think what they were kind of looking at too when they were doing this is they were kind of feeding off of the CEAD Project. I think that's where a lot of the Ag too is kind of was coming from because I don't think they really knew what we wanted to do with the other side. Vice Chairman Holt said and I also would say the poorest counties in the state are the biggest Ags. Commissioner Yarbrough said oh that's your statement Finch. I wouldn't agree with you. Vice Chairman Holt said which counties are you referring to? Wake, Mecklenburg, and Granville. Commissioner Yarbrough said Mecklenburg definitely not, but Eastern Wake has still got a lot of a lot of Ag. A lot in Eastern.

Commissioner Gwynn said Mr. Johnston, when you mentioned 700 while ago, what do you see that as being possible to do what with? Attorney Johnston said oh Commissioner Gwynn, I think it would just open up more land to be joined with the industrial park, and you have some type of mega developer that comes along, I'm sure more acreage will be advantageous. Mr. Smith might be able to allude to that, but I just thought that was interesting presentation and point on her behalf. Tony Smith said I mean if we can spare the interest, we could easily use up all space we have in Pelham bringing industry. That's a look beyond. I think we need to start looking now at the possibilities, and if there is a possibility we can arrive at a decent price and get an extended option to give us you know the option to be able to buy that property in two years or whatever. It may be wise. I can start looking around the Pelham Business Park. Commissioner Gwynn said I haven't been over on 700 in quite some time, but didn't they have something they started up at one time over there? Some kind of industry or building or something? Commissioner Rose said they got a couple of businesses over there. Tony Smith said they got Norag, I think they bought some property from us several years ago. Then Frito Lay built a warehouse there two years ago I think, and then STX Motorsports. Randy Weatherford built a racing shop there. So it's got several buildings on it. So it has developed a little bit on the Eden side of the park.

Commissioner Gwynn said I haven't been over there in years, but I knew that it has some. Tony Smith said I agree this CEAD project is going to put us on the map. It's going to draw a lot of attention. If we can be prepared for that by having a site ready, in addition to the prospect we're talking to. A site ready with a road, a sign, and telephone number they can call, and I can jump on.

Chairman Jefferies said I think we already got water in Providence from the Town. Right? Attorney Johnston said along Old 86. Yes, sir. Chairman Jefferies said extend that across the road. Tony Smith said I see a lot of potential going south towards Orange County because I mean you're getting so much growth in Orange County. Their taxes are high. They would love to be

able to go across the county line, but what'll it cost to extend it that far? And where would it come from? We would have capacity in the Town of Yanceyville. Jaime Andrews, from the NCACC, said how far is the county line from the highway? Tony Smith said what highway? Mr. Andrews said 40 or 85. Either one of them. Tony Smith said 15 miles. Mr. Andrews said I think that's more of a ways off that main corridor, and then maybe why it's not currently a target. Tony Smith said ideally if the Town of Yanceyville had enough capacity to put lines to cover water and sewer lines south, that would be the best option. I think when the Wizard's caldron was in Yanceyville years ago, they were a big water and sewer user. When they shut down it left a lot of capacity for a plant, and I don't know that we used a whole lot of that capacity. County Manager Meszaros said it's fine to have the sewer capacity, but water has to turn over and get utilized. It doesn't help just to build it; you have to utilize it.

### **RECESS:**

Chairman Jefferies said we will go into recess until 6:30 pm when the regularly scheduled meeting begins

### **WELCOME:**

Chairman Jefferies called the meeting to order, and welcomed everyone to the Caswell County Board of Commissioners meeting on February 5, 2024. Then all paused for a moment of Silent Prayer, and the Board of Commissioners and all the guest in attendance recited the Pledge of Allegiance.

### **PUBLIC HEARING:**

A **motion** was made by Commissioner McVey and seconded by Commissioner Rose and **carried unanimously** to enter into the Public Hearing on the Hyco Zoning Amendment and the Billboard Ordinance. (Ayes: Commissioners Holt, Gwynn, Yarbrough, Rose, McVey, Dickerson, and Jefferies)

Donnie Powell, Central Permitting Director, said good evening Commissioners and County Manager and past Interim County Manager. So I'm here tonight to bring you guys the recommendation from the Planning Board on the Hyco Lake Zoning Amendment and the Billboard Ordinance. I'd like to call him up Jason Watlington, our new County Planner. He started with us a few weeks ago. He was formerly our Deputy EMS Director and is now the Planning Director for Caswell County. He's actually going to make the presentation and answer any questions for you guys. I'll be here for consultation if needed.

Jason Watlington said Mr. Chairman, Commissioners, our new Manager, and Attorney Johnston. Which public hearing would you like to start with sir? Would you like to go to the billboard? Chairman Jefferies said yes. Jason Watlington said so on September 5<sup>th</sup>, 2023, Matthew Hoagland, our previous Planner, presented the Outdoor Advertising Billboard Ordinance. The

Planning Board has completed its final review, and we are here tonight for your final approval and adoption. I think you may have gotten an email for the draft. I'd like to add the state of North Carolina provides for the regulation of outdoor advertising billboards in two ways: Chapter 136 Article 11 of General Statutes allow for certain regulations to be imposed by the North Carolina Department of Transportation. Developers require a permit from the Department of Transportation for these billboards, and they also forbid billboards along scenic byways. Secondly, Chapter 160 D- 912 gives counties and municipalities the authority to regulate billboards through local planning and development ordinances. So among other things, the draft ordinance before you do the following: it creates different definitions for digital billboards versus non-digital billboards. It would only allow billboards on actively used commercial or industrial properties. So we do not have zoning for most of the County. However, if this property has been used as residential property, they cannot be placed on these properties. If it is a normal business or industrial property, then a billboard could go there if it meets the other requirements. It would not allow billboards on scenic byways, other state maintained roads, or private roads. It imposes historic and natural aesthetic design and height standards on non-digital billboards, and would only allow them along interstates or state highways. It would only allow digital billboards along designated interstates. We do have one, Highway 86 North. It creates a development process and an annual renewal permit inspection and fees. Proposed fees would be a \$500 for an initial permit and \$100 for annual inspections and renewal. The ordinance will ultimately be formatted to fit into Article nine of the UDO. While this ordinance will not affect existing billboards, it will force them to conform if they were to be taken down and a new one placed. Just a few points from the draft: 30 foot maximum height, will be 1,000 feet from schools, 1,000 feet from intersections, 2,500 foot from another billboard, and 500 feet from a residence. So there are some business areas that have homes beside them. It would have to be 500 foot from the residence. There will be a lease agreement from the property owner. Again no scenic byways. We will have the annual permit and inspection. No, and this is kind of important. No existing can be replaced with a digital. So any of the existing ones, if they decide to rebuild, will not be able to do that. Are there any questions?

Vice Chairman Holt said help me out here. You said no private land unless it was commercial? Planner Watlington said unless it has a business on that land. Vice Chairman Holt said okay. Let's say we have people going to Danville up 86. Is that a scenic byway? Mr. Watlington said actually I do have a list. Closed to billboards. I'll give you the roads that are closed to these billboards.

- All of North Carolina Highway 150. These are scenic byways or Colonial Heritage byways.
- Highway 150 and 158 through West Yanceyville and that area.
- North Carolina Highway 62 from Yanceyville to Milton.
- North Carolina 57 from Milton to Semora.

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- Highway 119 from Semora to Stephentown Road and from Greer's Church Road to Alamance
- All of Highway 86 from Highway 158 to the Orange County line.

Those are our noted scenic byways. Then of course the Town has an ordinance of no billboards.

Vice Chairman Holt said so basically if somebody wanted to put a billboard up or advertise their business to catch the traffic going to Danville, there wouldn't be anywhere to put one. Donnie you want to help me out on that?

Donnie Powell said yeah. So there are some regulations for putting billboards on property or at least signs on property where you're advertising your existing business that's there on the property. You can do that. Like the existing business sits there on the property. Also just so you know when he mentioned the scenic byway on 86, everything from Highway 158, which is there at the Hardee's intersection, to Danville is not a scenic byway. So that stretch of 86 North would not be excluded from having billboards. Vice Chairman Holt said so let's just say, probably a terrible example, McDonald's could not put McDonald's five miles ahead anywhere down that way. Donnie Powell said that's exactly right. Not south of them, they could not. They could potentially put one North on 86, but it would have to meet...A lot of this is regulated by the general statutes, and the DOT, Department of Transportation, has regulations on where they can go. A lot of the properties would not be able to have them. Vice Chairman Holt said what I'm saying is when you start knocking out private property and I guess that farms would be the same thing. Donnie Powell said there are not a lot of places that they would be able to go in the county.

Commissioner Dickerson said that \$500 fee and the \$100 inspection fee going forward, where did those rates come from? How were they established. Jason Watlington said Mr. Hoagland did a study on Rockingham County. I think he retrieved those from Rockingham County. Again this is a draft before you guys, and if there are changes that you like to see made, I can take it back to the Planning Board. Commissioner Dickerson said do you feel like \$100 covers the cost of the county sending somebody out to look at it every year? Mr. Watlington said yes sir. I'd basically go out take a look at the vegetated cover around it, make sure that's okay, and just put my eyes on the sign to make sure it's not rotting or making our County look bad. So probably one of those things I may get out, but possibly wouldn't even get out of the truck for that.

Commissioner Rose said what do you do in the event that you've got one that's not in compliance, or is like you said falling down? What are your steps to take care as director of that situation? Mr. Watlington said we would actually send them a letter, let them know of what needs to be done, and give them a certain amount of time. I have not studied up on the time that I will allow them, but it may be a 30 day or may be a 60 day time frame for them to become compliant. Commissioner Rose said and you did say I may be getting this wrong, on existing billboards, if they get destroyed with a natural disaster or whatever, they still have to reapply? Mr. Watlington said existing billboards can go back, but they just have to go through the process.

So they be on highways that we're not allowing it due to the new ordinance. However, because they're there they can rebuild exactly the same. Commissioner Rose said okay. Thank you.

Chairman Jefferies said anyone else have a question? You can go to the Hyco Lake. Jason Watlington said yes sir. I have one more. So you have been given Article Five, the Hyco Lake Zoning districts from our UDO. I do have handouts if anyone does not have them. So I'll be referring to (RB) Recreation Business. So the Planning Board and myself are requesting to reduce minimum lot setbacks in the recreation business districts. There are four parcels in our Hyco Lake Zoning Districts noted as recreational business. Many of you are aware of Dollar General on 57. There's also the gas station, which some of us know it as the old Snake Ashby store right across from the Dollar General. Then the ABC store on 119, and right beside the ABC store is an old repair shop for boats. A storage site there. So this came about because there was an owner that wanted to look in the options on that old boat repair site. They wanted to construct a storage facility. However due to setbacks, only a very small portion of that land could actually be developed. As you see they're currently 100 front yard, 100 side yard, and 100 on the rear. So our consistency statement pursuant to North Carolina General Statute 160d-604D Caswell County Planning Board finds that the attached amendment to Article 5, Section 5.5 of the UDO is consistent with existing setbacks, because it is similar to the current required building setbacks outside of the Hyco Lake District found in the Caswell County UDO Article 9. The proposed setbacks would mirror the current Resort Residential setbacks. Furthermore, it brings the existing businesses located in the (RB) Recreational Business parcels to compliance. So the actual businesses that are there are not compliant to the 100 foot setbacks. Mr. Chairman, would you allow me to pass out. The Chairman said yes sir go ahead. Mr. Watlington said I'm going to hand you all a couple of maps just for reference. So page one, we've already looked at. Page two is the current Dollar General and the store across the street. So as you can see the setbacks there some of them are 100 or greater, but mostly they are less. Page two you'll see the ABC store and then beside it to the right you'll see the boat repair parcel. As you can see those are again not compliant with the 100 foot setbacks. So probably the most important for you guys to look at will be the last page. The green just denotes the area that can be built upon on this piece of property due to 100 foot setbacks. Commissioner Yarbrough said that's what could be used as of right now. Correct? Mr. Watlington said yes sir. If we follow the guidelines of the setbacks that are in place now. So as requested we would like to go front yard 30, side yard 15, and the rear to 20.

Commissioner Yarbrough said Jason, if my math is correct on the business requirement with that lot size problems we have now. 30,000 square feet, that wouldn't even work with the numbers that you have 100 X 100 X 100 X 100. You're looking at an acre there. 30,000 square feet with an acre lot. That wouldn't work to be compliant. Mr. Watlington said right. The Dollar General fills that lot up up there also, and I think the rear or side setbacks on the Dollar General were tight. It would be tough besides the Snake Ashby store area. That's the only lot that really could conform.

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Commissioner Dickerson said have you had any feedback from the neighbors around the property in question? How do they feel about it? Mr. Watlington said no sir. We didn't get any response from them.

Donnie Powell said I would add just a note of clarification on something that you said earlier. I'm not sure when they created the UDO. When I went back and looked at the original Hyco Lake Zoning Ordinance, it wasn't clear. The setbacks weren't clear for residential business. A recreational business, excuse me. I'm not sure that those setbacks weren't incorrectly placed in there because like you said with a 30,000 square foot lot, there would be no usable space on that lot at all with those setbacks. So I'm thinking those setbacks when they were converted from the original Hyco Lake Zoning Ordinance into the UDO may have been incorrectly placed there. Those setbacks.

Commissioner Dickerson said so am I understanding it correctly that you're really asking us to mirror the rest of the County's rules and implement those in the Hyco Lake area. Mr. Watlington said yes sir. Just for the recreational business.

Chairman Jefferies asked if the Board had any more questions. Then said thank you to Mr. Watlington.

Attorney Johnston said Mr. Chair, can you see if anyone in the audience would like to speak in the public hearing as well? Chairman Jefferies asked the public if they wanted to speak in the public hearing. Attorney Johnston said this public hearing is only related to the Hyco Lake zoning. Then the lady said thank you. The gentleman in the audience said what meeting will we go to if we want to talk to the county about something? The lady said they said later. Chairman Jefferies said no one in the public wants to speak on the zoning

A **motion** was made by Commissioner Holt and seconded by Commissioner Rose and **carried unanimously** to exit the Public Hearing. (Ayes: Commissioners Holt, Gwynn, Yarbrough, Rose, McVey, Dickerson, and Jefferies)

A **motion** was made by Commissioner Yarbrough and seconded by Commissioner McVey and **carried unanimously** to approve the Billboard Ordinance. (Ayes: Commissioners Holt, Gwynn, Yarbrough, Rose, McVey, Dickerson, and Jefferies)

A **motion** was made by Commissioner Rose and seconded by Commissioner McVey and **carried unanimously** to approve changes to the Hyco Zoning Amendment. (Ayes: Commissioners Holt, Gwynn, Yarbrough, Rose, McVey, Dickerson, and Jefferies)

## **PUBLIC COMMENTS:**

**John Roberts:** I have a couple recommendations. One is that the county considers opening a DMV office close to the Tax Office, and you all do the registrations and things of cars. Other

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counties are starting to do this. The DMV wants the counties to do it because they're having problems with the contractors. A lot of the contractors aren't open five days a week. Some of them aren't even open two days a week now because they can't get employees. With the county, it would take two employees in this County based on the size of this County, and you could make Thomas Bernard the supervisor of it. He would have to go to the bank every day and put money in the bank, but the DMV would pay for everything. They pay for the computers; they maintain them. They maintain the VPN. You all don't have to worry about any of that, and they have some restrictions like you can't use wireless devices and things in the DMV office. When I say wireless, I mean wireless mice and stuff on the computers. They supply all the computers, and they do all the maintenance. So you don't have to worry about anything. Will you make a profit? No, you will break even. I know some other counties already done it. They break even on it, but it's convenience to the taxpayers. Usually when they go in the office to pay their registration fee, if they owe back taxes or anything, they can just walk over, pay their taxes, and you get that out of the way at the same time. That's why you have it co-located so it's a convenience to the taxpayers of Caswell County. The other thing is the employees would be employees of Caswell County. The DMV would train them. You could probably get a couple that's already trained from these contractors. The contractor that's here in this County probably has an employee that would be glad to go to work for the county, and they have benefits. These contractors don't pay their employees benefits. Most of them, the people that work for them, are contract employees so they give them 1099s at the end of the year. So it's really a convenience for the taxpayers of Caswell County. It'll be open five days a week instead of maybe one day a week, where they have to go to Alamance and stand in line or some other County. Then they find out they owe taxes, and they have to drive back to this County to pay the taxes, get the receipts, and go back to the other counties. It's just a pain in a butt for the residents of Caswell County. So if you need help setting this up, I've already talked to another County that set it up and the guy that's in charge of it said he would help this County get it all set up. But the DMV will give you the directions, the instructions, and set everything up for you. The money will not be co-mingled with County money. It's a separate account. It's a State DMV account. They set it up with the bank so it doesn't go through your books, but you do have a record of how much money you bring in every day. They do the credit card services and everything. So that's more of a convenience for taxpayers, and it's just a recommendation.

Another thing I think you should consider is putting a FTZ in out close to Interstate 29. This is a Free Trade Zone. I don't know if you all know about free trade zones, but anytime products come in from overseas, when they come in through customs and everything, they have to pay customs, duties, and taxes on it. Well free Trade Zone, they bring the products in, put them in a free trade zone, and they don't have to pay the customs, duties, and taxes at that time. So all these car parts and all these other parts that come into the country, they don't have to pay taxes on it right away. It may sit in a free trade zone for a year or two. Once it goes out of the free trade zone, they have to pay taxes on it. Now that's not County taxes, that's customs, duties, and taxes the Federal

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government charges. But the advantage to the county would be that you would collect tax off the property. Then you can collect taxes off the personal property. So you would collect real and personal property, and I suggest the county don't buy this property, own it, or try to manage it. You get one of these firms that already does that. That way you can collect the real property and personal property. If the county owns it, you're not going to collect any taxes. So the thing is that they got them in North Dakota of all places so you can put them just about anywhere. The reason it would have to be 29 is because of the truck traffic, and sometimes they just bring big containers in and just set them there. Another advantage to this county is it's unskilled and semiskilled workers that work at these places, and there's a lot of unskilled and semiskilled workers in Caswell County that could work there. That would help with the employment. Of course that would help with taxes and other stuff. But I would suggest for the first two years whatever company comes in here, you give them some kind of tax break that they don't have to pay taxes maybe for the first two years. Then after that, you start collecting taxes. You're looking for the future.

Another thing I wanted to suggest is that you do a solar ordinance. I checked and I cannot find that this county has a solar ordinance. This is very important. We've been fooled by solar energy. It is not environmentally friendly, and I can prove that if anyone wants to talk to me later. They use carcinogenic materials to build these solar panels. These solar panels are not made in the US. They're made in China and Malaysia because they don't have the EPA restrictions that we do. What that means is these solar panels cannot be put in landfills. So what's going to happen to them? Other counties, I've helped them develop solar ordinances in these other counties that have them. These solar companies that put these solar farms put a bond up. They do not like doing this, but the reason is the solar panels have about a 25 year life. When these go bad, what are you going to do with the solar farm? The company puts it in, and they're going to leave. Someone's got to get rid of all those solar panels and all that stuff that's being put up there. Also there needs to be restrictions so if the solar farm is along a main road, you have to have some kind of vegetation there so you don't see it. The other thing is it's got to be, without having an ordinance, it should not be within five miles of your little airport out here because it causes glare. A plane coming in, if there's glare off of it, it could crash. They have to get permission from the FAA. Now I work at the county where a solar farm company came in and was going to put it within the 5 mile limit of the airport, and when they turn the paperwork in the county asked me to look at it as a favor. I was doing some other work there. I started looking at it. Their approval from FAA was for some airport in Georgia. They thought this county wouldn't notice the location.

Chairman Jefferies said Mr. Roberts, we try to give three minutes to most of the people. and we Mr. Roberts said all right. That was the for the solar stuff.

This County also needs a Disaster Recovery Plan. I looked at the Emergency Services Plan they had back in 2002. It was out of date. They didn't want to pay for anyone to fix it, but what a disaster recovery plan for the county is if someone drives a tanker truck down 86 and it crashes...

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Chairman Jefferies said I think Mr. Roberts you can come back on the next meeting.

Mr. Roberts said okay. I have one other thing to say, and then I'll shut up.

Attorney Johnston said Mr. Roberts, I apologize we have a three minute maximum. Mr. Roberts said I didn't know that. Attorney Johnston said yes sir, so you're welcome to come back to the next meeting.

Mr. Roberts said I applied for County Manager job, as you all know. I'm a resident of this county for over 30 years. I'm also a disabled veteran. I didn't even get an interview. I'd like to know why?

**Carol Harrison:** Hi, my name is Carol Harrison from Hatchet Road. I've worked in the database industry for 30 years, and I do question the security of elections. So I tried to find out the amount we spend on machines, software upgrades, and the certifications. I was going to propose as stewards of the county's money, that this county is set up perfectly with seven smaller precincts under 2,000 people, which we could hand count the ballots. So instead of getting into all the machine information, which I do know about and I can provide information if anybody's interested in that. But just for the budget purposes, for the tax dollars, and for the citizens if we provided where we hand counted. We can have registered voters participate, and we could live stream so there would be transparency about our votes. So that's just a proposal, and I can provide any information if you'd like to get some more information.

**West Harrison:** I'm not the best speaker. We have had issues... Attorney Johnston said can you state your name for the record please. Mr. Harrison said my name is West Harrison, and I live on Hatchet Road. Throughout our country, there is a discrepancy with elections and all of that. What we can do is we can lead the country and just do paper ballots. Everybody's count. We've had veterans that fought for our country. They've lived; they've died. Our country was founded on that. At the beginning of this meeting, we all bow our heads to God. We opened this meeting in prayer. We owe it to ourselves. We all stood and pledged allegiance to the flag. Everybody in Caswell County, doesn't matter who you vote for, it doesn't matter; but your vote has to count. I don't believe it's a county thing. I think everything's being run in all the counties with the machines; there's discrepancies. Our cell phones get hacked. Our computers get hacked, and people like to play it off like it's a conspiracy thing and all that. But it has been proven throughout the country, and I do believe that we owe it to our people. It doesn't hurt. It's a small enough county like she said we can save money not having the machines. Everybody's vote will count, and I think we owe it to people. People have died in this country defending freedom. We owe it to our children. We're losing it. Look at the overspending. If you take your cell phones, they'll do trillions of dollars of math. Right now our national deficit is \$34 million a day since Jesus Christ walked this Earth. Every day since he walked this Earth or this planet, it's like \$34 million a day. I think it's more than that actually. Do the math on it. Right now, they're

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overspending by two trillion. Look at the border, all the people coming across the border. I'm all for it. Like this is America. Everybody can come here and have their dream. That's a good thing. I'm not against that, but we're losing our country. I think we can start by just having a free and fair election and save money too doing it, and show the country that we care about saving this. I'm West and Carol. We moved here like seven years ago. Thank you for listening to us.

#### **RECOGNITIONS:**

**Commissioner McVey:** I'd like to recognize Miss Susan Pendergraph, she worked with the Animal Shelter for 20 some years. She has just recently in the last week retired.

**Commissioner Gwynn:** I would like to recognize from the EMS. This weekend they had a real bad call. The EMS responded, but they were short of help. Only one person went out there in that community. Sam Butler came to the rescue to help the EMS, and I would like to recognize him and also EMS. Mr. Butler ended up driving the ambulance because the man that was hurt, David Byrd, needed immediate help. The EMS worker stayed in the back with him rendering help while Sam Butler drove them to the hospital. I'm not sure which hospital. Jennifer Hammock asked is David okay? Mrs. Gwynn said yes. A tree, limb, or something fell on him. From what I understand, he had a concussion. So I think we have a he has a follow up appointment for the concussion. Other things happen with his shoulder, back, and all that stuff.

**Chairman Jefferies:** I'm sorry. Scott how about standing up. This is our new County Manager, Scott Meszaros.

#### **AGENDA:**

##### **APPROVAL OF AGENDA:**

We want to scratch item number 15.

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

##### **APPROVAL OF CONSENT AGENDA:**

a. January 16, 2024 Regular Meeting Minutes

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

#### **DISCUSSION ITEMS:**

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## **I.T. CYBER THREAT REPORT:**

Jason Benson, I.T. Director, said Mr. Chairman and Commissioners. I'm Jason Benson, the I.T. Director. Good evening. So I just wanted to report that on December 22<sup>nd</sup>, 2023 a county employee reported that their email had been potentially compromised. We did an investigation, and we revealed that there was unauthorized access from IP addresses through AVPN connection. The affected email account was promptly locked down, and the North Carolina Joint Cyber Security Task Force was engaged. The actions that we took were we accessed the logs, uncovering the unauthorized access extending into the previous month, the laptop was secured for scans to ensure no malicious activity was found, conditional access was implemented during the holidays limiting email access to county offices only to thwart potential threats, exemptions were gradually granted for essential users that require continuous email while traffic logs were closely monitored, and additional security measures were introduced allowing compliant devices unrestricted access with plans to remove additional exemptions. The response from the North Carolina Cyber Security Task Force, they advised us that we took appropriate steps and to anticipate a period of heightened activity of threats. They suggested upon an incident report at IC3.gov, which is kind of like an aggregate for cyber security complaints that go to numerous Law Enforcement Agencies across the Nation. We did that the same day, and they recommended applying for the State and Local Cyber Security Grant Program. We did that on January 31st before that period closed. For future preparedness, we have ongoing preparations for the 2024 cyber security initiatives that are underway aiming to fortify the county's infrastructure against additional cyber threats, focusing on enhancing the ability to mitigate and eliminate malicious emails, and planning to provide additional cyber security training to all users as a reoccurring measure. This incident prompted swift and thorough responses involving both immediate actions to address the breach and strategic preparations for future cyber security initiatives highlighting a proactive approach to safeguarding the county's digital infrastructure. Are there any questions?

Commissioner Rose said Jason, any idea where this originated from? Jason Benson said I mean I looked at the VPN, so there's no way to really track it past that point. It would pop up in New York, New Jersey, Florida, or California just random spots. Commissioner Rose said so we had nothing compromised? Mr. Benson said not that we are aware of. We were able to identify one email exchange that was unauthorized, and at that point, that's when we locked everything down. But past that point, nothing else has been detected.

Chairman Jefferies asked if anyone else had any questions. Hearing none, they moved on.

## **ACTION ITEMS:**

### **PELHAM TIMBER REPORT:**

Tony Smith said several weeks ago, I proposed to the Board that we consider selling the timber on the Pelham Industrial site. It's 65 acres. So we received bids to cruise the property. He came back and reported that the timber there would bring in between \$15,000 and \$20,000. The reason

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is low is because it has been cut fairly recently, and it hasn't grown back yet. So I mean it's not a whole lot of money, but we need to consider if we want to do that and have the income applied to signage and roads and be able to see the site, or do we just want to come back cruise the site later when we have a prospect.

Chairman Jefferies said so did we advertise, or we just got one bid? Tony Smith said we just got one bid. But we talked to multiple bidders, and they said they knew the property. That it didn't have anything on it, and they won't interested in giving us a bid. Chairman Jefferies said they didn't have money on it. Is that what you saying? Vice Chairman Holt said it's no timber on it. Tony Smith said it's very little timber on it. Chairman Jefferies said we're talking about 65 acres over there. Vice Chairman Holt said but it hadn't been long since it was cut.

Commissioner McVey said do you know how long it has been? Tony Smith said I do not know that. They said it had been cut fairly recently. Chairman Jefferies said do you know how many years? Vice Chairman Holt said I went by there to look, but I couldn't figure out what you were talking about cutting. Chairman Jefferies asked again do you know how many years the timber has been cut over there? Tony Smith said I do not know. Commissioner McVey said how about those hardwoods on the back side? Tony Smith said certain hardwoods have to be left in place for creeks, streams, and their purposes. Commissioner McVey said I understood that. Vice Chairman Holt said that's about what was already left.

Chairman Jefferies said what's the pleasure of the Board? You are asking for us to approve this right? Tony Smith said yes sir. Chairman Jefferies said what's the pleasure of the Board. We got \$15,000 I believe to \$20,000. Tony Smith said 15 to 20.

Commissioner Dickerson said Mr. Smith, did they make any kind of comment as how long it would have to be there before it would be worth more money than what it is now? A time frame? Tony Smith said they did not.

Commissioner Yarbrough said since it was last cut, nothing was replanted. It's all just volunteer stuff. It'll never be worth much. Never. Not in our lifetime. You get a little money out of it to do some road work and signage. You might as well sell it and clean the mess up.

A consensus of the Board was taken and it was **unanimous** to sell the timber and get money to do road work and signage in Pelham Industrial Park. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

### **FY 2021 FINANCIAL AUDIT:**

Alan Thompson said good evening everyone. I'm sure you're glad to be done with June 30, 2021. We appreciate all the effort from J&J Jennifer Hammock and Johnna Sharpe, and all the other staff that were involved in this. You should have a presentation summary that was part of your packet. That's what I'm really going jump from. On page one of that package under qualitative aspects of the accounting practices, it talks about accounting policies and estimates, which

included depreciation and allowance for doubtful accounts as well as some of the financial statement disclosures. We were okay with all of those. Difficulties encountered in performing the audit: once we got all the stuff we were good, but getting all the stuff was a challenge. Any misstatements, adjusting journal entries were made with those. As we finished, there were no disagreements with management. Management did provide us with a representation letter dated January 17<sup>th</sup>. We're unaware that management consulted the outside accountants, auditors, etc. Under findings and issues and there's also a section in the audit report excerpt about findings and issues. I'm going to back up and say this too. Even though it has been 30 months and that's what it says in this, our focus along with the help from financial staff and Johnna has been trying to get to a point where we can issue a quote unquote unmodified report. Unmodified reports are a big deal as you go forward trying to issue any debt that you might have, getting any grants, etc. You don't want anything but an unmodified report. So getting to the point where we can sign off on that was a big deal. I know you hired an outside firm to help you on reconciling and catching up on all your statements. So we were able to issue an unmodified report. So that's a good thing for the county. There is some other good stuff for the county. I'm going to read some stuff that you, whether it's us or anybody else you hire for the June 30<sup>th</sup>, 2022 and the June 30<sup>th</sup>, 2023, if I get back up here, I'm probably going to read the same thing to you. Again the real issue in terms of findings or things, what you're really trying to get to is to get this behind you and move forward so that you can operate, apply for grants and debt, and whatever you need to do as a county to operate at full capacity for all your resources and get that. So we need to continue to run this thing to get it done and get it behind you. I'm not trying to say hey let's just run it and sign off. I'm just saying there's momentum to get this done. I really encourage you to get it done and move forward so that you know where you are, which is a big deal, so you can make the appropriate decisions, etc. As I get past these findings, one of the good healthy things that you're going to find and I think it even gets better after my numbers here for June 30, 2021 is that your fund balance for the general fund is good. It's increasing. The charts will show that. So even though we got some significant issues that had to be worked through, at the end of the day your general fund fund balance had an increase, and the projections for the next couple of years is it's going to increase each of those years. So working to move and get this behind you so that you can know what you have and make decisions that you need to make is a big deal. Getting off the watch list from the Local Government Commission (LGC) is a big deal. So that's kind of a precursor to go through this, but it's not all bad news. If at the end of the day there were no findings and your numbers were horrible, that would be really bad news in my opinion. This is fixable. It's in the process of being fixed, but it is a process to get there. So that's about as good of good news as I can give you. But it's not bad at the end because when the fund balance is going up and you can get the processes fixed in order to have the records that you need and the information you need to make decisions you need to make, that's a good scenario. But it has to be followed up on and actually fixed. So you can see there, audit report 30 months from the year end. I pray that I can come back to see you three more times this year after tonight with a 22, a 23, and a 24, and come December 31st you all are celebrating Christmas with audit reports. So

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that that sounds crazy, but from a financial standpoint, that's a really good thing. You see at the bottom of page two, it talks about the various key processes being completed timely. Many of those things are just simply reconciling bank statements to making sure you're reconciling the subsidiary ledgers, which is does the tax collected tie to what's on the general ledgers as tax that was collected. In many cases some of those subsidiary ledgers weren't being tied, and so going back to fix that was a heck of a process that somebody had to work through in order for us to be able to go okay they tie; it's here.

I'm saying here that on the top of page three changes made in staff caused some of these issues. EMS receivable balances have to be, as well as allowances, have to be made timely so that you know what's going on. You've got some negative fund balance that need to be cleared up. Depreciation schedules have to be kept in line. Not just at the end of the year, but as you go through the year. If you don't do it through the year, then at the end of the year everybody's scrambling. It makes getting all the data harder to get. You can't remember, and everybody's scrambling to try to finish and give that to the auditor. Things can get missed. Transfer have to be budgeted. They can't just be because you got the money. You can't move it between funds without a proper authority. You are that proper authority; it needs to be brought to you and approved. There were a couple loans outstanding. We need to review the agreements on those. There was some prior period stuff that had to be made to clean things up, and there was not a budget adopted for GASB 84. Some of the documentation was difficult to get up with. There's some findings on Medicaid in the audit report. No money but findings on technical issues. Files should not be located on individual computers but stored on the server. I'll say this for non-accountants, this is boring stuff, but it's a pain in the butt to get it all together to comply with the standards. GASB 87, which talks about leases, is basically if you have a long-term lease as it relates to real estate especially, you have to book that lease as if it were purchase of a fixed asset, both the asset and do some computations to actually put a debt on the book. So that'll happen in June 30, 2022. In June 30, 2023, you'll have another standard called GASB 96, which if you've got software that's subscription based and over a year long, you have to do the same thing we're talking about on the lease stuff. You may have to get somebody to help with some of those computations. There is some stuff out there the LGC has. I'm not saying I'm for or against these standards because I'm not for them because I hate them, to be honest with you, because I don't think they provide you any usable data. But they are required by the powers that be, both at the federal and the state level in order to get an unmodified report. So getting on top of those, Johnna and I have had some conversations about that because those things are what takes some work to accumulate. How many leases you have? How many software subscriptions you have that are longer than a year? The 2022 and 2023, you've got some reports that you have to get, LEO reports, etc. All these retirement actuarial data stuff that you have to get in order to complete the audit. Those are things that you have to be on top of in order for us to finish what we can do besides reconciling the bank statements, doing the depreciation schedule, and tying the subsidiary schedules together. Those are things that have to be done as quickly as possible, and I

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would say fortunately now is as great a time as any because you get into the fall and you don't have that done, everybody and their brother wants the same thing done. In the spring some of these groups that do this aren't as busy, and they can probably turn that around really quick which should enable us to catch up these 22 and 23 audits a lot faster. So that's the healthy thing.

So if you are kind enough to flip over to page five of this presentation summary, I'm not saying these are all the key numbers in the report, but it takes a lot of stuff to do that. But what I attempt to do is put some of the key numbers here in this first column for 2021, and then go back to the previous four years audit reports so that you have some idea in context of what the number is and don't just give you fund balance when general funds are \$11,453,000. You go back to 2017, you see that number is \$6,467,000, and it's increased every year. So when I was saying you have some findings but the number is good in terms of increasing. The unavailable fund balance \$3,740,000, the restricted is \$7.2 million, and total general fund expenditures including transfers out is \$27,482,000. The fund balance available as a percentage is 30.49%. You go back to 2017, it's 17.83%. From what Johnna is telling me the projections on fund balance in 2022 and 23 will increase in the fund balance. This fund balance percentage shouldn't continue to rise. This is just thoughts here. One of the things that the LGC looks hard at in terms of debt issuance is this fund balance available percentage, tax collection percentage, and a strong fund balance as a dollar number. So a lot of these things are healthy overall, even though there's some challenges to finish this thing up. It's not all bad news. Unassigned fund balance \$4.2 million and unassigned fund balance as a percentage at 15.31%. Then you got revenues over and under expenses before transfers, and you see the total there in the general funds \$1.4 million. If you transfer this to private business that basically would be your profit for the year if you will. Other governmental at a negative \$2,978,000. You can't really gauge anything on that because that's projects, and it depends on where the project is. You get money in and you spend money from a loan or grant. That's what that's about. It's not necessarily your general fund where you're worried about making a profit. Solid Waste had a negative \$237,000. Transportation fund was a positive \$39,000. When you see cash there in your general fund at \$9.5 million, you go back to 17 and you can see that's \$5.4 million. Other governmental \$11 million. Again that has no real value there whatsoever because it could be a loan or state-based grant came in in 21. So that's what a lot of the cash is; that money is going to be spent. Then cash in transportation is \$495,000. Again general fund fund balance is \$11.4 million, other governmental \$11 million, Solid Waste net positions is a negative \$146,000, and net position in transportation \$793,000. You see your property tax rates there for all five years, and collection percentage 98.78% is actually the best of any of the five years shown. You see your total property valuation there and levy amounts. Next see your governmental debt at \$17,946,000, and then your breakdown of your general fund, revenues, and expenditures. Total general fund being \$28,670,000, and total expenditures \$27,260,000. You'd be kind enough to flip over to page six. At the top of page six it shows the bar chart there with total fund balance, restricted and committed. You see what I'm talking about on total fund balance in blue there increasing which is what you're definitely looking for. On the

bottom of that page you also see the fund balance available as a percentage; even though you're below your group weighted average, you're still going from 17.83% up to 30.49%. On page seven at the top you see analysis of fund balance available as a percentage. Unassigned fund balance. I'm sorry. You see that at 15.31%. On the bottom, you see revenues over non-expenses before transfers. You see positives for the last four years in the general fund. On page eight, you see your cash balances and fund balances by fund in a pie chart at the top with the totals underneath. The cash balances total being \$21,108 and fund balances being \$23.1 million. Then on page 10 you see in a pie chart there with the numbers beside it where applicable. We have that big Government Bond anticipation note there at \$13.1 million. Then you see on the bottom a breakdown your General Fund Revenue with ad valorem taxes making up the majority which is why we tend to focus on collection percentages, etc. at 44.79%. Intergovernmental Revenue, which is basically your sales tax, etc., and then the other taxes which is grants, etc. associated. Then page 11 has your breakdown of general fund expenditures, and this has Public Safety, Human Services, and general government as well as education being the top four there.

If you've been on the Board a while, if you remember back in the day, the LGC used to send out unit letters. They don't do that anymore. They give us that or passed the buck to us to do that. So page 12 starts with the unit letter if you will. You have 60 days from tonight to respond to that unit letter. That unit letter for the most part and some of the findings has already been responded to, but you have to send it back to the LGC. The board has to sign off on that as part of that. You can see that's reconciliation of records, which we talked about. The deficit fund balances, which we talked about, and prior period adjustments, which we discussed. There are some budget violations; we discuss that about transferring money back and forth as well as some of this exceeded in departments. Then the GASB 84 issue where you've got to establish a new fund that wasn't set up during that process, as well as the late submission of records, and then retention of records, which part of that is lack of internal control. That's what you got to do within 60 days; respond to that. I'm happy to answer any questions. I know it's been a while. I know a lot of people have done a lot of work to try and get it to this point. A lot of issues had to be corrected that are in good shape in talking with Johnna. You should have a good trial balance for June 30, 2022 hopefully by the 1 of March, and with June 30, 2023 followed up by the 1 of April. I don't know if I've ever done it, and I've been doing this I think today makes 39 years. I started when I was about 10. But I've been doing this, and I've never done two at the same time. I'm technically probably not going to be doing two at the same time, but I'm going to. At the end of the day they'll be real close together because I think I can do a lot of the testing simultaneous year and year because if we're here, there ain't no reason not to test 23 data while we testing the 22 data. Hopefully one of the challenges sometimes is DHHS has to give us the Medicaid sample that they want us to look at. We've had some early conversations. You got to have a contract to get them. Once you get a contract, DHHS will provide us the sample they want us to look at from Medicaid population, and that's what we have to look at to satisfy them. Hopefully they'll be quick on the turnaround. I have another unit that they were very responsive to. In fact, I signed

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off on it Friday I think to help them. So they turned it around within I think 10 days or something like that. So if they can do that, our compliance folks, and I was telling Johnna earlier that we've got a staff about four or five people that I'll pull off some other stuff to focus so I can come back and see you two or three more times this year, put some stuff in your rearview mirror, and move on with life. I'm happy to answer any questions you have of me. I appreciate all the work people have done, and I'll do my best to try and see you as often as I can.

Commissioner McVey said so you're saying we're in pretty good standings with the summary support, not the findings, but the fund balance. Mr. Thompson said I am. The numbers look good. The challenge is accounting for it, and that's what a lot of people have had to spend a lot of time getting everything back together. You can see it's not just 6/30/21, but there was a trend and going back to 17 up to 21. That trend continued this year. I haven't done them, but Johnna said she did it. The 22 and 23 numbers should continue that which is healthy for the county overall. It's just a matter of a lot of work that had to be fixed. I think at the end of the June 30, 2020, there was some turnover in personnel along with a software conversion which only exacerbated what wasn't a good situation. At that point, already there was most of the findings here. Not all, but most of them were repeat findings from the June 30 2020 year. So putting that stuff behind you to be able to go on and run the county without having to worry about it being accounted for is a big deal. That's what I hope can happen in the next... I hope by the time you get to June 30<sup>th</sup>, you're working on June 30, 2024 and not 22 or 23. Commissioner McVey said the county's debt decreased in 2021 by \$1,061,000. Is that correct? On page four here I'm reading. Mr. Thompson said it did. That's correct because you got the bond anticipation note for prior year. I think in the 21 year you got that large needs based grant to supplement the project you were working on. That was very close to the same amount as the bond anticipation note if my memory is right on that.

Commissioner Gwynn said do you think in the 23 and 24 budget, this medicare expansion, will it have a lot of impact on what's going to be happening in 23 and 24. Mr. Thompson said I don't know that answer right now to be honest with you.

Commissioner Dickerson said are you projecting more revenue finds as you found in this current year or 2021 year in the other two that you're working on. Mr. Thompson said not necessarily. What... well I think from our experience going through the pandemic doing the audits, our firm does about 27 of the counties in the state, so what we saw overall was that the funds coming in from the pandemic increased almost every county's fund balance that we did. Some dramatically, and so when I say it looks to project upward over the next two years from what you've done, I'm saying there's a trend Statewide from what we've seen to back that up. So that's why I would say yes, you're getting more money in. I don't think there's anything necessarily to find prior period if you will. I hope that's answering your question. Commissioner Dickerson said sort of. Mr. Thompson said there's a lot of money that came through as a result of the pandemic that was there to try to help people get through it and help the governments deal with all the stuff that they were having to deal with. Most of the time it allowed the units of government to come out better

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financially at the end of it than at the beginning. There might be an exception. I'm not trying to say there's not, but for the most part most of our governments came out significantly better. I'll say that.

Commissioner Yarbrough said but you are projecting the fund balance to continue to increase going on what you've seen? Mr. Thompson said what I've seen, yes sir for 2022 and 23, which one of the charts here show the group weighted average. I'll apologize in advance because we're going to struggle to get some group weighted average numbers after this current year unless we do them ourselves because the state stopped doing group weighted averages by population groups, and did it for everybody above 100 million in budget and everybody below 100 million in budget which is about useless. So I still believe that percentage though years ago, I'm rambling and I apologize, but I'm trying to get you a good answer. Most auditors and accountants in the states thought the LGC wanted to see a minimum of 8.33% as a fund balance percentage, and they put out a memo last spring that said that's a myth. It's not a general statute. Blah. Blah. Blah. But what that is is one month you divide 100 by 12 and you get 8.33%. Most counties have somewhere around a minimum of 20% and some higher on that. Being where you're at, you have to take a lot of things in consideration as you get past these next couple of audits. I'd take a hard look and start trying to set a policy for what you want. What you think's a minimum. So as you look at a project going forward, you can say hey, if we do that project, it'll drop us below our policy. It doesn't mean you can't change your policy or make an exception to your policy etc., but it means you put thought into it. If you make an exception to it, then there needs to be a good reason for it. I've seen them very significantly. I would struggle for any county to be much below 20% I think. I don't think it's all that healthy because you don't know what's going to happen. I mean you could have a disaster, or you could have other things pop up. I would say the smaller you are as a county the larger that percentage needs to be, but there's tons of stuff out there. The LGC has great stuff on the policy itself and on what other counties are using. What is it called? North Carolina Finance Direct that you get 100 emails a day from all the finance officers in the state. Those other finance officers would be happy to share their policies etc., or County Managers would be happy to share their policies so you'd have a feel for what similar size units or government are using. I apologize I ramble.

Chairman Jefferies asked are there any more questions.

Commissioner Rose said you say we're going to see you again in March? Mr. Thompson said I didn't say that one. I did say she'd get us a trial balance. We can do testing, and then I was saying this. We can get back up here, if the contract gets approved by the LGC, in a week or so we can be back up here testing stuff to get to serious, serious stuff. We got to have that trial balance, which you said is coming March 1<sup>st</sup>. Once we get that, we can jump in with both feet and start trying to get this thing done because you're anxious to get it done, and I'm telling you that I want it done too. I want to help you catch it up. I want to put this in the mirror for everybody because it's a good thing. Your numbers are good. I want to be able to say yep, we got it all done; you're

able to do whatever you choose to do based on whatever the County's needs are and whatever you decide is best for the county. Yes, I would like to come see you just as fast as possible.

Commissioner McVey said I think we need to thank the ladies in the Finance Department for the outstanding hard work that they have done. I know I've called them a blue million times, and they tell me I got to wait. They got to find this and got to find that. So I want to make sure that you all know we appreciate what you've done to get this job done. It sounds good. Thank you. Mr. Thompson said I appreciate it. Thank you for allowing us to do it.

### **RECESS:**

The Board took a five-minute break.

### **AUDIT CONTRACTS:**

Jennifer Hammock, Finance Director, said so we just had our report from Alan Thompson with the audit firm. He gave you some historical data for 2021, and he also gave you some projected data for a visual because I'm a very visual person. If you have your agenda packet, the item summary that we put in there for his presentation will give you a chart at the bottom. This is the conservative projection for fund balance for the upcoming fiscal years of 22, 23, and 24. So you can kind of put a visual with what he was talking about of how our fund balance is projected to increase for those fiscal years. So we appreciate everything that Allan Thompson and his group have done.

So moving on. We have, in Finance, developed a plan of action which we shared with our finance committee last week. Thompson and Price has been gracious enough to offer to work with us for the 22 and 23 fiscal year audits. With the blessing of the staff at the North Carolina Treasurers Office, the fiscal year 22 and 23 audits will be conducted as Allan said concurrently instead of consecutively. The current goal is to have the completed fiscal year 22 audit to the LGC by April 30th of 2024, and fiscal year 23 audit to the LGC by May 31<sup>st</sup>, 2024. While these are aggressive goals, we do feel that they are obtainable, and as we are working to clean up fiscal year 22 and 23, we are also making sure that everything in 24 is correct. So our ultimate goal is to have the fiscal year 24 audit done timely this year when it's due, done, and out of the way. So with the fiscal year 21 audit behind us and the fiscal year 25 budget kicked off, we feel that we are in an excellent position to do just that and have everything caught up and done. So with that being said, you have in your pack a few things. The first item is an amendment to the contract for the fiscal year 2021 audit. You'll notice that the original fee was listed at \$54,750. We have currently paid that much to the audit firm. They submitted the amendment to the contract for a modified total of \$75,750. That would be an amended increase of \$21,000. We have the funds in our 24 budget to cover this additional cost just to note. The increase is due to the extra time that it has taken to perform the 21 audit due to the conditions the books were in. So this is something that we will need to request that you take a vote on to approve this amended contract.

You want me to continue? Chairman Jefferies said yes. Then we will discuss it.

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The Finance Director said just get it all out of the way at once. Okay. So the other things that I have are a contract for fiscal year 22 and fiscal year 23. The fiscal year 22 contract is listed at \$78,000 not to exceed that. It does include the preparation of the financial statement. The fiscal year 23 contract is for \$80,500 not to exceed and also includes the preparation of the financial statement. The total cost for both contracts is \$158,500, which would require a budget amendment, which we will discuss in item 13 of the agenda.

Chairman Jefferies said okay, I think we need to talk on one of these contract before we go on. What's the pleasure of the Board? Let's start it off.

Commissioner Rose said one question I have Mr. Chairman. How does this affect the... excuse me? Due to the fact that we're on the watch list spending no more \$50,000, how does this get around that? Jennifer Hammock said we would not be borrowing any funds. This would be...Commissioner Rose said got you. Finance Director Hammock said yes, the amendment that we're proposing would be for using balance. Commissioner Rose said existing. Mrs. Hammock said existing funds.

Chairman Jefferies said anyone else.

Vice Chairman Holt said I don't see where we have a... I mean obviously with the first part, it's for work done. The other two I mean there's not a lot of people out there that do this, and I don't see where we have a lot of choices to disrupt the flow at this time other than just bite the bullet and put this behind us.

Commissioner McVey said what I was going to say is what little research I have done has proven that there's not many accounting firms out there to do this kind of thing. There's about four left in the state. So Thompson and Price looks like they're doing a good job now. So let's see where they're at. So I'll make a **motion** that we continue with it.

Chairman Jefferies said a motion is on the floor that we continue with them. Can I get a second?

Commissioner Rose said one last question. Where is this \$158,000 coming from? Finance Director Hammock said fund balance. Commissioner Rose said strictly out of fund balance? Finance Director Hammock said strictly out of fund balance, and the reason for that is, and I will let you know it's on the amendment when we get to that item. When we did the 24 budget, we inadvertently left out the cost of the 22 and 23 audit. We included the 21 audit in there, but we did not have the 22 and 23 audit in there. So it would be coming from fund balance.

Commissioner Rose said but due to the fact that we had this increase from 21...Finance Director Hammock said oh absolutely.

Commissioner Dickerson said so what is the total cost of all the auditing they have done or complete? Finance Director Hammock said already complete. If we approve the amendment, the 21 audit will have cost \$75,750. Then if we approve the other two, that would be an additional \$158,500.

Vice Chairman Holt asked was there any before that first number? Finance Director Hammock said I do not have the totals, but I can tell you that the 2020 audit was probably somewhere around the \$55,000 range, and I think 19 and 18, it has increased slightly over each year.

Commissioner Rose asked will this be all paid out at one time or over installments? Finance Director Hammock said it would be basically...what they would do is send us an invoice, and we would pay each invoice separately. But it's pretty much going to be back to back. Commissioner Rose said okay, but we pay the 21 and then they finish 21. Finance Director Hammock said 21 is done. Commissioner Rose said right. Finance Director Hammock said so once they invoice us, we pay that 22. They invoice us for 23, we pay that, and we're good to go. They're going to go ahead and start working on it as soon as they know that the contract has been approved. Johnna Sharpe said they'll probably progress bill for 22 and 23. They wanted to wait until the audit was complete before they put an amendment before you so that they would know what the final cost was.

Vice Chairman Holt said now do we have to hire a company every year for audit? Finance Director Hammock said yes. Vice Chairman Holt said it's normally not this much though? Or do we put like a budget line item? Finance Director Hammock said we do. We have a budget line item every year just for audit fees.

Commissioner Dickerson said what is that normally? Finance Director Hammock said in the past, for 19 or 20 it's been roughly around \$55,000. But if you look at or if you research these different audit firms, the ones that actually do handle County/Township audits, Thompson and Price is actually one of the lower costing firms. If we were to go out and bid on other firms, one: we don't know if anybody else would accept us because of the fact that we're behind, and two: in my research I have found that if we go with another firm it's going to be roughly \$15 to \$20,000 more than these figures that they have given us now for 22 and 23.

Vice Chairman Holt said can I ask another question? Mrs. Hammock said yes. Vice Chairman Holt said since we're talking 22-23, did we not have \$110,000 in that budget for that? Finance Director Hammock said we didn't. We had budgeted for the 21 audit and the 24. Well the 21 audit is really the only one that we budgeted for. We've got about \$44,000 left in that line after we paid the \$54,000 that we've already paid. So it was close to \$100,000. So if we have the amendment for \$21,000, we'll have probably a little less than \$20,000 left in that line. Vice Chairman Holt said we need to make sure we get it in next budget. Mrs. Hammock said yes sir.

Chairman Jefferies said we have a motion on the floor, can I get a second? Commissioner Gwynn 2<sup>nd</sup> the motion. Chairman Jefferies said we have a motion and a second to move that we go ahead and continue to pay this contract that we got. Any questions before we go any further here? Now this money, we might as well face it. It wasn't the Board fault. We were misled that audit was under the Covid-19, but it wasn't. So we were misled. We got to eat the bullet and go with it. That's just the way I see it. We should have been told and was not. So there it is. Any question?

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A **motion** was made by Commissioner McVey and seconded by Commissioner Gwynn and **carried unanimously** approve the Audit Contract Amendment for 2021 and the contract for 2022 and 2023. (Ayes: Commissioners Rose, Yarbrough, Holt, Gwynn, Dickerson, McVey, and Jefferies)

### **PAY AND CLASSIFICATION ORDINANCE:**

Johnna Sharpe, NCACC Representative, said actually Mrs. Sharpe and Mrs. Powell. So if you recall the last time we were before you, that was in November, where we presented some recommendations on changes to the pay and classification ordinance. The changes that were recommended at that time were to eliminate the hiring range, move the entire pay range 3%, and reclassify certain positions. Based on the feedback from the Board and some of your concerns, we're back to revise that recommendation at this time only eliminating the hiring range. Any pay band changes or reclassifications will be considered as part of the fiscal year 25 budget process. So right now we're just looking at having a formal document, which is attached, which would be the pay and classification ordinance which sets out the current pay range scale, which is as it is currently with no changes. Then it lists all the grades for all the positions. So that was one item that we brought before you.

The other item was to recommend some changes to clean up the Personnel Policy to address things that needed to be fixed because they're no longer accurate. Things like you no longer have a monthly payroll, you have a bi-weekly payroll. We wanted to make sure that it calls in the Personnel Ordinance that the hiring range is in there. So the language will be eliminated from that to clarify some of the setting of the hiring salaries and salaries upon promotion. And also looking at some clarification on the pay for temporary assignment. So we're before you tonight, and Ashley please jump in, to ask you to consider to eliminate the hiring range, adopt the current ranges as they are minus the hiring range, and to make the Personnel Policy changes that were previously put before you.

Ashley Powell said does the Board have any questions?

Chairman Jefferies said I don't have any questions, but I'd like to see this put off until budget time and bring this back up at budget time. Then we can see where we going to be standing at budget time. I've looked at what you gave me before and I liked it. But I think right now, this just me talking now, I feel like we can do this at budget time. Look at it a budget time. That's just my opinion. I'm going around the Board.

Commissioner Yarbrough said let's see. Would this change in doing away with the hiring rate and going to the minimum and using that as the hiring rate? Johnna Sharpe said right. The salaries that are budgeted are the minimum salaries, and are what people are getting currently. Mr. Jefferies, we're not proposing any of the pay or any of the band movement or reclassifications that we were in November. The only thing that's being proposed related to the pay scales is to eliminate the below minimum hiring range. That has no impact on the budget because all the positions are budgeted at minimum or above. So we pulled back what we

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presented to you previously. Chairman Jefferies said okay. Mrs. Sharpe said because we understood your concerns, and you're absolutely right. What we presented is best taken into account with the 25 budget process.

Commissioner Yarbrough said so the money is already in the budget at the minimum? Mrs. Sharpe said yes. Commissioner Yarbrough said we didn't budget a hiring rate? Mrs. Sharpe said no. Commissioner Yarbrough said we budgeted at a minimum rate? Mrs. Sharpe said no, but removing that hiring minimum is really to help you be more competitive. It's currently tied to the probationary period, but that's not typically what a probationary period is for. Where you have trouble recruiting employees, going ahead and letting employees know that they're going to be paid the minimum of the salary upon hire should help you in your recruitment. The language proposals also help make it a little clearer that if you have to hire above the minimum, which is fairly normal right now, the process of how that's to occur and what needs to be approved. So it really provides a lot of clarification on some of your practices that are currently not articulated as well as they could be.

Commissioner Rose said let's go back to one thing, and I brought it up when you brought this before of us. There was a couple pay scales in there that I thought should have been moved because of the increase that they received. Were these put back? Mrs. Sharpe said everything was put back to where it was. No pay or no salary changes have been made except to remove the below minimum hiring rate. So everything's exactly the way it was.

Commissioner Gwynn said how would that impact someone already here, if they were on the lower range or just above the hiring rate? Ashley Powell said so currently we do have some employees who are on probation, and we do have some that are already hired in above the minimum. That's at the Department Heads discretion. So we do have a few that's out there, but they've already budgeted for that minimum. So there won't be any effect. You know we just make the changes in HR and payroll. But they will still be in their probationary period, but they'll just receive their increase in advance.

Commissioner Rose said basically what this is doing is getting everything in line. Ashley Powell said correct because we do have people that apply, they look at it, and I know it's just a couple thousand dollars but that makes a huge difference. We go ahead and give them their money in advance, but we still keep them on probation.

Chairman Jefferies said you all heard presentation, what's the pleasure of the Board?

Commissioner Gwynn said this is only in HR. Vice Chairman Holt said this is county wide.

A **motion** was made by Commissioner Rose and seconded by Commissioner McVey and **carried unanimously** accept the pay and classification ordinance and the Personnel Policy changes. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

## **FY 24 BUDGET AMENDMENT #9-11:**

Jennifer Hammock, Finance Director, said so we have three budget amendments. We'll start with budget amendment number nine. This is for a grant received from the Community Foundation of the Dan River Region or CFDRR, for our Parks and Rec. Department. The justification for this budget amendment is the Caswell County Parks and Recreation Department has received a Performance Grant from the CFDRR for the procurement of child safe and durable playground equipment and to implement safety measures including surfacing material. The grant period runs from January 10<sup>th</sup>, 2024 through December 16<sup>th</sup>, 2024. The amount of the grant is \$12,500; it does not require match.

A **motion** was made by Commissioner Yarbrough and seconded by Commissioner Rose and **carried unanimously** approve Budget Amendment # 9. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

Finance Director hammock said all right. Budget amendment number 10. This is an amendment for the audit fees for fiscal year 22 and 23. The justification is when the fiscal year 2024 budget was developed, we inadvertently did not include the estimated cost for the fiscal year 2022 and fiscal year 2023 audits. The anticipated completion date of both audits is by May 31st of 2024 within fiscal year 2024. Given this is a one-time expense to catch up the audits, we are recommending using fund balance appropriation to cover the cost of the two audit contracts. The current available balance in Professional Services/Audit expenditure line is \$44,250, which is needed to pay the final billing for fiscal year 2021. Therefore, the additional appropriation needed is for the cost of two years of audits. The estimated cost for fiscal year 22 audit is \$78,000 not to exceed and includes preparation of financial statement. The estimated cost for fiscal year 2023 audit is \$80,500 not to exceed and also includes preparation of the financial statement. So the total amount of the amendment requested is \$158,500. Chairman Jefferies said how much did you say? Mrs. Hammock said \$158,500.

A **motion** was made by Commissioner Holt and seconded by Commissioner Dickerson and **carried unanimously** approve Budget Amendment # 10. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

Finance Director Hammock said I got one final amendment. You have a Health Department budget amendment. We did an agenda item for this budget because it is a huge budget amendment. It is an authorization to include an additional part time... Well it's a full-time position, but it's only a 50% position. The action requested is that the Board of Commissioners approve a Health Department budget amendment and authorize an additional 50% full-time Nurse Practitioner. The Health Department has received an additional \$222,589 in State funding. The following information provides information on the source, frequency, amount, purpose, and uses of the new funding much of which is recurring. In addition to appropriating the fiscal year 2024 revenues, the Health Department is requesting authorization for a new full-time 50% Nurse Practitioner, and the attachment that you should have includes every line that is being affected. I



don't know if you want me to go through each line item, or if you've already reviewed them. I'll try to answer any questions that you might have.

Chairman Jefferies said you finish? Mrs. Hammock said yes sir. Chairman Jefferies said okay. Coming from Mrs. Hammock, you've heard about the 50% match.

Vice Chairman Holt said are we looking at \$72,000? Mrs. Hammock said for the Nurse Practitioner? Vice Chairman Holt said yes or am I reading this wrong? Finance Director Hammock said let's see here. Health, infrastructure, part-time Nurse Practitioner salary. Okay, so it includes the salary plus benefits. It includes \$119,222. That includes FICA, retirement, salary, insurance.

Commissioner Dickerson said what will this primarily be. The new position be used to address. What's going on that's not already been happening. Finance Director Hammock said good question. I do not know the answer to that question currently.

Vice Chairman Holt said what is all this other...Are we talking half? Finance Director Hammock said well the only thing that is 50% is the Nurse Practitioner position. Vic Chairman Holt said it is a lot of money down through here. Finance Director Hammock said yes, the total of the amendment is \$222,589. It is all in State funding so it is no match to it. It's just being provided by the State. Cara White said to address what it will cover. I think Kelly, the Nurse Practitioner is ready to retire. So they need to bring someone in to kind of take her place and get them trained up. Mrs. Hammock said and she's fulltime. Cara White said yes, she's full-time at the moment. So bringing somebody in new to replace her would be beneficial for them.

Commissioner Gwynn said and did you say it would be completely State funded? Finance Director Hammock said yes ma'am.

Vice Chairman Holt said so we're not paying half? Finance Director Hammock said no sir. Johnna Sharpe said it's a 50% FTE. Finance Director Hammock said right, it's a 50% employee. So they're full-time, they get benefits, but they're only working half the hours. So they get 50% of the health insurance. Instead of working 80 hours, they would work 40 hours. Commissioner Dickerson said you should have led with that. Finance Director Hammock said my bad. I'm sorry about that.

Vice Chairman Holt said bottom line, what's the money we're talking. Finance Director Hammock said \$222,589 State funding. No county funding whatsoever. This is just money that they receive from the state, and part of it would go towards that Nurse Practitioner position.

Chairman Jefferies said I understand you said no county funds. Mrs. Hammock said no county funds.

**A motion** was made by Commissioner McVey and seconded by Commissioner Gwynn and **carried unanimously** approve Budget Amendment # 11. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

February 5, 2024

## **DISPOSITION OF USED VEHICLES:**

Tony Smith said in recent weeks, there's been much discussion about what we do with disposed used vehicles when we lease or buy new truck, car, or what have you. Currently we're either trading that used vehicle in against a new one, reducing the lease price or the straight out buy price, or either we're retaining that vehicle and place it into the fleet for that department. The discussion tonight will be do we want the Commissioners to have say so as to what happens to that vehicle that's been replaced.

Chairman Jefferies said do any of these vehicles run? Tony Smith said sir. Chairman Jefferies said does any of these vehicles run? Tony Smith said yes sir. They all run, but they get updated. We don't have any new vehicles coming in with the exception of the Sheriff's vehicles, which we'll talk about in a few minutes. But these all run, but they've got age on them. Question is do we put them in our fleet and use them as backups, or do we trade them in and get few dollars against a new vehicle. That's the decision to be made.

Vice Chairman Holt said my understanding of the question you're asking is do you want Scott to bring it to us? Tony Smith said that's the question.

Commissioner Dickerson said I think it's very logical that you would bring it before the Board and let us make the decision as to what is done with the old vehicles because up to this point there's been a lot of confusion. You've heard presentations about vehicles are in bad shape, and that's why we need to replace them. You approve the money to have the vehicle leased, and then find out that the said vehicle has been put back into the fleet for the county. So the upkeep cost of it will continue on. If the Board wishes to do that, that's fine, but the Board ought to be making the decision on it. Not have the fallacy in our minds that we approved new leases, and that the vehicles were automatically going back to the leasing company when the lease terms are up. In other words, the Board ought to make the decision if we add those used vehicles back into the fleet, we simply turn them back in on the lease, or sell them out right to lower the cost of bills we have to bring in. That's my opinion.

Commissioner McVey said I thought we were turning all those vehicles back in. Tony Smith said no sir. Most of them are, but there are vehicles that have not been turned back in. Solid Waste is an example. Commissioner McVey said I think we would maybe need to kind of know the value of some of those vehicles as to whether to turn them back in or whatever. Tony Smith said what's the need in the department. Commissioner McVey said yes, the need in the department.

Vice Chairman Holt said I don't think it's a big discussion item. I think if you come to us and say hey man, this thing's going to take \$20,000 to fix and it's worth five.

Commissioner McVey said well that was the point of leasing vehicles was to get rid of some of the maintenance that we were having to pay.

Vice Chairman holt said most of our meetings don't last like this. I mean we would have time to have five minutes to talk about this.

February 5, 2024

Chairman Jefferies said I thought it was in the contract when we signed that the rental company would buy these cars back from us. I think that's what was in that contract. I'm not sure.

Commissioner Dickerson said I thought so too.

Melissa Miller, Deputy Finance Director said I helped manage the fleet, and in the past, I've been here almost three years. When we turn a vehicle back in because we want to get new vehicles, we get gains from it. Whatever that vehicle is worth. When we turned in all of the trucks it was like over \$30 some thousand that we just applied that money to pay off the current fleet that we have. We just recently sold bac... well we turned it back into Enterprise, they did the Ford Focuses. Four Ford Focuses were sent to auction, and I think it was a total of \$18,000 out of the four. We received a check, and we deposit that into the sale of fixed assets. So we do sell it. We give it back to them, and they sell it. They either lower the payments and take it off the current principle of the loans, or they send us a check. The past two vehicles, Tony had them send us a check. Well Mr. Smith had them send us a check. But in the past, we just rolled it over into our current payments to lower the payments on the new vehicles.

Commissioner Dickerson said is that being done with all the vehicles? Melissa Miller said all the vehicles on the fleet. We haven't sold any at... The only vehicles that I'm aware of that have been sold at the yearly surplus auction that they have or whatever, those are all Sheriff vehicles, and I don't manage the Sheriff vehicles just what's in the county fleet. Commissioner Dickerson said how many Ford Focuses? Melissa Miller said are left, two. Commissioner Dickerson said what happened with them? Mrs. Miller said I think either DSS or Family Services is still... They're still being used. Two of them are still being used because one of the... Was it Family Services that had an accident? Finance Director Hammock said DSS. Mrs. Miller said DSS had an accident, and their vehicle went out. We had them all at the lot at the Courthouse because we were going to get rid of all of them, but then we needed a backup for the one after DSS was in an accident. Commissioner Dickerson said that's what I'm getting at. That's what the Board ought to be part of making decisions on. If all of them didn't automatically go back in when the lease was over with, then the Board should have input into what happens to them. Not moving... Melissa Miller said but these leases have been over for a while. We just now got around to Mr. Smith said let's try to you know sell them because they weren't being used or whatever. But they were 2016 so they've been off of the lease program for a while, other than maintenance. Commissioner Dickerson said other than maintenance. Mrs. Miller said yes, we pay like \$5. I mean on the fleet we pay \$5 a vehicle to maintain the maintenance program where they keep record of all the maintenance and all that kind stuff. Commissioner Dickerson said so easy way of wording this would be, if they're not automatically going back in to be turned back in on lease, that the Board would want to have... Mrs. Miller said before we dispose of them in any way. Yes. That's fine.

Tony Smith said the term lease is misleading because it is not really a lease. We're buying the vehicles, then we have the option to do what we want to at the end of the lease, and the Board's going to make decision to turn it back in or another department needs that vehicle.

Commissioner Rose said one question I got Mrs. Miller. You said you keep up with county vehicles besides Sheriff's Office. Are any of those lease vehicles with the Sheriff's Office? Melissa Miller said yes, they're leased also, but I don't keep up with what they do with them. Like that's all the Sherriff. I can see what we have, but as far as what is done with those when they are sold at the surplus. I don't have any say so. Commissioner Rose said how are those vehicles done. Mrs. Miller said they do it the same way. When the leases... well when they no longer can use the vehicles or want to get rid of the vehicles, it works the same way. They turn it back in, and they sell it. When they sell those, that money goes towards the Sheriff's vehicles. If they get gains off of them, then that's applied to the Sheriff's vehicles payments because there's two categories the county vehicles and the Sheriff vehicles. If they sell vehicles and they get a gain, we lower the payments on the Sheriff vehicle, or we get a check and it goes to them. Commissioner Rose said the reason I was asking was they have some that they were looking at taking off line, but I think they're actually waiting until they find out if these other vehicles go through or not. Mrs. Miller said because just in March at the surplus auction, I think the Sheriff's Department sold like 15 vehicles. Was that right, Jennifer? Commissioner Rose said so that money goes back to the Sheriff. Mrs. Miller said well to the general fund. Commissioner Rose said besides anything that was seized, then that money go to school. Mrs. Miller said that's right. That's school. Mrs. Miller said sorry I just wanted to make sure you knew how the process went.

Chairman Jefferies said what's the pleasure of the Board?

Commissioner Dickerson said well it depends on Mr. Smith, could you clarify? When I said that I would make the motion to the effect of if the vehicles were not automatically turned back in on the lease, that the deposition of the vehicle would come before the Board. We would decide whether they were kept or not before they moved to another department. But you're saying that at the end of it, it's not a traditional lease. We own vehicles at the end of that lease. Tony Smith said yes sir. Melissa Miller said we own them. But if they're on the lease program still, like those Focuses, Enterprise will still take them and try to sell them for us. Commissioner Dickerson said and then we don't have to pay the auction fees or anything like that. Mrs. Miller said exactly. Commissioner Dickerson said okay. So I want to word this **motion** where if they're not automatically turned back in at the end of the lease to go toward that lease payment, that the Board will decide the deposition of the vehicle. That is my motion.

Commissioner Rose said I think the County Manager bringing it to us like you said, and says look I've got these amount of vehicles. We took the mileage on them, this is what they're worth, I either have some use for them, or I don't have any use for them. Then we, the Board, makes the determination of whether we turn them in, sell them, or we put one over here and one over there and sell the rest of them.

Commissioner Dickerson said so how would you want me to change the amendment? Vice Chairman Holt said I'll second yours. Now we got discussion.

Mrs. Miller said just so you know Enterprise is really good about...part of the maintenance program is they keep up with the mileage. When we got rid of those five trucks, they let us know hey, you got this many vehicles and you can get really high gains on it if you trade it back in now and get new vehicles. So they really let us know when we should and when we shouldn't. If they don't think you can get enough money out of it.

Chairman Jefferies asked to have the motion repeated. Commissioner Dickerson said that if the vehicles do not automatically go back in toward the lease at the end of the time that they're turned back into Enterprise, that the Board of Commissioners will decide the disposition or the final resting place of these vehicles. We will be the body that makes the decision on whether we keep them or sell them. With the recommendations of the County Manager.

A **motion** was made by Commissioner Dickerson and seconded by Commissioner Holt and **carried unanimously** that if they're not automatically turned back in at the end of the lease to go toward that lease payment, that the Board will decide the disposition of the vehicle. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

#### **COUNTY MANAGER'S UPDATES:**

Interim County Manager Tony Smith said tomorrow afternoon we should hear from the LGC with a decision as to whether we can lease the five Sheriff's vehicles from Enterprise. We've got a zoom conference. It'll be long zoom, but I think we're somewhere in the middle there. So we'll get a determination. If we're successful, we can go ahead and sign the paperwork to get the vehicles on the road. If not, then we just have to bring it back to Board to see whether we want to buy one or two with cash. That's what it boils down to. Less than \$50,000 each so we'll know tomorrow.

The Co-op Extension Service was notified that a Golden Leaf has awarded them \$120,000 grant to expand training and education programs in livestock trainings, field mapping with drones' applications, and reduce till vegetable crop production. So we do not have an amendment for that because we were just notified I think Friday. We will bring that up at the next meeting.

Also Commissioner Jefferies signed a letter this week to the NC Department of Insurance that follows.

Next the Historical Courthouse painting project has been completed. The floor has been cleaned, the furniture has been organized, and the video equipment been hooked up. So the building is ready for use. So we can start scheduling in the building again. We are still awaiting additional bids to update the Historical Courthouse audio system. We are getting more bids, but they just haven't arrived yet.

Finally, we kicked off the 2024-25 budget process several weeks ago when the Department Heads were briefed on the new procedures required to request funds, and data will be submitted back to the Finance Department no later than the 27<sup>th</sup> of February by those departments. We're moving forward. That's it.

February 5, 2024

Chairman Jefferies said this was just an extra budget that they turned in, right? Tony Smith said we kicking off the next year's budget by getting information. We're training the Department Heads, they got forms to fill out, and send those forms back into Finance by the 27.

#### **COMMISSIONER COMMENTS:**

There were no Commissioner comments.

#### **ANNOUNCEMENTS AND UPCOMING EVENTS:**

- February 15, 2024 Joint Town Meeting at 6 pm at the Yanceyville Town Hall
- February 19, 2024 Board of Commissioners Meeting at 6:30 pm at Gunn Memorial Library

Commissioner Yarbrough asked will we be back at the Courthouse for the next meeting. Jennifer Hammock said the old sound system. Commissioner Gwynn said the old sound system is still there., and Mrs. Hammock said yes. Chairman Jefferies said the sound system is not in yet is it Mr. Smith. Tony Smith said the old system is in. We still getting bids on the new improved system. So hopefully we will have that in several weeks. Getting the bids in several weeks, and then it'll take several months to get it installed. Chairman Jefferies said we will stay here until we get it in.

#### **CLOSED SESSION:**

A motion was made at 8:44 pm by Commissioner Gwynn and seconded by Commissioner Holt and **carried unanimously** to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. NCGS 143-318.11(a)(3), To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, which privilege is hereby acknowledged NCGS 143-318.11 (a) (4), and To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee, which privilege is hereby acknowledged NCGS 143-318.11 (a) (6). (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

A **motion** was made by Commissioner Yarbrough and seconded by Commissioner McVey and **carried 4-3** to instruct the County Economic Developer to work at 20 hours per week for February and March, and review at the first meeting in April. (Ayes: Commissioners Yarbrough, Rose, Gwynn, and McVey. Nays: Commissioners Holt, Dickerson, and Jefferies)

#### **ADJOURNMENT:**

February 5, 2024

A **motion** was made at 9:52 pm by Commissioner Holt and seconded by Commissioner Dickerson and **carried unanimously** to adjourn the meeting. (Ayes: Commissioners Yarbrough, Rose, Holt, Gwynn, Dickerson, McVey, and Jefferies)

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Carla R. Smith  
Clerk to the Board

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Jeremiah Jefferies  
Chairman

February 5, 2024



# Caswell County

144 Court Square, PO Box 98, Yanceyville, NC 27379

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

January 29, 2024

Mike Causey  
Commissioner of Insurance  
North Carolina Department of Insurance  
1201 Mail Service Center  
Raleigh NC 27699-1201

Subject: Proposed homeowner insurance rate increase request by NC Rate Bureau

Dear Commissioner Causey,

Caswell County has become aware of the NC Rate Bureau's requested increase for homeowners' insurance rates, which would result in a 36.6 % hike for our citizens. Like homeowners across North Carolina, our families continue to face high costs for food, building supplies, electricity, and fuel. Many homeowners will not be able to afford such increases, including our teachers, first responders, government employees and service workers.

We point to North Carolina law that states that insurance rates shall not be excessive, inadequate, or unfairly discriminatory. We believe that all North Carolinians need attainable coverage at reasonable rates, and that is why we urge you to deny this request and support our working families in Caswell County and across the state.

Thank you for your time and consideration,

Jeremiah Jefferies, Chairman  
Caswell County Board of Commissioners





## DRAFT OUTDOOR ADVERTISING/BILLBOARD ORDINANCE

**Prepared by:**  
**Matthew Hoagland**  
**Caswell County Planning Director**

### Article 9, Part VIII: Outdoor Advertising

#### Section 1: Purpose

The purpose of this section is to promote the health, safety, and general welfare of the residents of and visitors to Caswell County. This ordinance designed to promote vehicular safety along roadways within the county, to promote orderly growth and development, to institute design elements which are in keeping with the natural and historic aesthetics of the county, and to provide regulatory guidelines which are compatible with N.C. General Statutes 136, Article 11 and 160D-912.

#### Section 2: Definition

"Outdoor Advertising," also defined as a "Billboard" or "Billboards," includes any sign visible from the main travel way of a road which has an advertising surface of between 72 and 1,000 square feet. Advertising signs smaller than 72 square feet shall not be regulated by this ordinance. For the purposes of this section, "Non-Digital" and "Digital Billboards" are defined below.

A "*Non-Digital Billboard*" is understood to mean a large panel or flat surface made of paper, vinyl, or a painted surface that is intended for viewing an advertisement or notice from extended distances and is typically constructed atop wooden posts or steel beams.

A "*Digital Billboard*" is understood to mean a light emitting diode panel face which is an internally illuminated display intended to produce a variety of colors and light intensities and is typically constructed atop a steel beam or beams. This definition shall also include "Tri-Vision" or "Tri-Fold" panel billboards.

#### Section 3: Location

Billboards may only be erected alongside recognized interstate or primary highway systems pursuant to N.C. General Statute 136, Article 11. Billboards may not be erected along any

Scenic Byways, other state roads, private roads, or any roads or paved surfaces owned by Caswell County Government.

Digital billboards may only be erected along designated interstate highways. Non-Digital Billboards may only be erected along primary highways or interstate highways.

Billboards may only be erected on properties which are actively commercial or industrial in use and that have an approved North Carolina Department of Transportation Driveway Permit.

Billboards may not be erected within 500 linear feet of any residential structure. This distance shall be measured from the nearest point of the billboard to the nearest point of the nearest residential structure.

#### Section 4: Development Guidelines

Applicants for Non-Digital Billboard developments shall submit a completed Outdoor Advertising Application and a set of engineered drawings to the Planning Department indicating the following:

1. The height shall not exceed 30 feet above the edge of pavement of the road which it is adjacent to. This distance shall be measured to the top border of the billboard. Where the building site of the billboard is level to or above the edge of pavement, the total height of the billboard shall not exceed 30 feet from the lowest point of it's base to the top border of the billboard.
2. The exterior framing shall to be installed on the billboard to closely resemble a natural wood aesthetic or the framing must be painted a shade of brown to mimic a natural wood aesthetic similar to Figure 1 or Figure 2 below.
3. The base of the billboard may be constructed of any material. If the base material is wood, it shall be finished in a manner that preserves the natural wood aesthetic. If constructed of metal, it shall be painted a shade of green, brown, black, or similar neutral color in order to blend in with the natural environment.
4. Lighting, if installed, shall be placed at the top of the billboard and directed downward and inward such that the illumination is contained to the area of the sign. Flashing or strobe style lights are prohibited.
5. Billboards may be erected back to back or V-shaped but may not be erected atop one another. Billboards equal to or less than 300 square feet may be erected side by side but billboards greater than 300 square feet may not. Each billboard shall be considered as a separate sign when calculating square footage.
6. The outermost portion of the billboard shall be erected at least 15 feet from the right-of-way of the interstate or highway which it is adjacent to.
7. The scope of any vegetative cutting or removal related to the construction of the new billboard shall be shown.

8. Billboards shall not be located closer than 1000 feet from a school.
9. Billboards shall not be located closer than 1000 feet from an intersection of two roads.
10. Billboards shall have no moving parts and shall have no parts extending beyond the outer frame of the structure.
11. Billboards shall not be located closer than 2500 feet from another billboard.
12. Applicants must also provide a copy of the redacted lease agreement with the property owner to which the billboard will be constructed.
13. Applicants must also provide a copy of an approved NCDOT Driveway Permit for the property.

Figure 1:



Figure 2:



Applicants for Digital Billboard developments along Interstates shall submit a completed Outdoor Advertising Application and a set of engineered drawings indicating the following:

1. The support structure(s) and foundation designed or painted in a manner to blend in with the natural environment. Paint color shades may include green, brown, black, or similar neutral color.
2. Billboards may be erected back to back or V-shaped but may not be erected atop one another or side by side. Each billboard shall be considered as a separate sign when calculating square footage.
3. The outermost portion of the billboard shall be erected at least 15 feet from the right-of-way of the interstate or highway which it is adjacent to.
4. Digital billboards do not have to demonstrate compliance with framing, lighting, or height requirements.
5. The scope of any vegetative cutting or removal related to the construction of the new billboard must be shown.
6. Applicants must also provide a copy of the redacted lease agreement with the property owner to which the billboard will be constructed.
7. Applicants must also provide a copy of an approved NCDOT Driveway Permit for the property.

Other regulations to be considered:



- Imposing spacing requirements between new billboards

#### Section 5: Nonconforming Situations

Non-digital billboards may not be replaced with digital billboards, regardless of circumstance. Digital billboards may be replaced with non-digital billboards.

Billboards which are destroyed by a natural disaster or other unforeseen circumstances may be reconstructed to a size and dimension exactly matching their size and dimension before being destroyed. If a billboard is destroyed and an applicant wishes to replace it with one of larger square footage, they must submit an application and engineered drawings in accordance with Section 4. Billboard developers may alter the support structure of the sign at any time as long as it remains in compliance with the applicable portion of Section 4.

#### Section 6: Application and Review Fees

A permit review fee as established by Section 1.13 shall be paid upon the submission of the application. Permits must be renewed annually. A permit renewal fee as established by Section 1.13.

After the initial permit is issued, the UDO Administrator shall inspect the billboard annually to ensure it is still in compliance with the standards of this ordinance. If it is found to be out of compliance, penalties may be assessed in accordance with Section 1.12.8. and the Outdoor Advertising Permit may be revoked if the violation is not remedied.

Suggested Permit Application Fee: \$500

Suggested Annual Renewal Permit: \$100



## CASWELL COUNTY PLANNING DEPARTMENT

144 Main Street | PO Box 1406, Yanceyville, NC 27379 | Office: 336-694-9731 | Fax: 336-694-5547 | E-Mail: [jwatlington@caswellcountync.gov](mailto:jwatlington@caswellcountync.gov)

### ARTICLE 5. HYCO LAKE ZONING DISTRICTS

#### **SECTION 5.5 TABLE OF AREA, YARD, AND HEIGHT REQUIREMENTS.<sup>1, 4, 5</sup>**

District	Lot Area (minimum)	Lot Width (minimum)	Front Yard (minimum)	Side Yard (minimum)	Rear Yard (minimum)	Lot Depth (minimum)
RR Resort Residential	30,000 sq. ft. <sup>2</sup>	100 ft.	30 ft.	15 ft.	20 ft. <sup>3</sup>	150 ft.
RB Recreation Business	30,000 sq. ft. <sup>2</sup>	N/A	<del>100 ft.</del> (30 ft.)	<del>100 ft.</del> (15 ft.)	<del>100 ft.</del> (20 ft.)	150 ft.
IP Industrial Park	5 acres	N/A	100 ft.	100 ft.	100 ft.	N/A

#### **Planning Board Consistency Statement for Hyco Lake Recreation Business Zoning, Minimum Setbacks Amendment**

Pursuant to NC General Statute 160D-604(d), the Caswell County Planning Board finds that the attached amendment to Article 5, Section 5.5 of the UDO (Table of Area, Yard, and Height Requirements) is consistent with existing setbacks, because it is similar to the current, required building setbacks, outside of the Hyco Lake Zoning Districts, found in the Caswell County Unified Development Ordinance, Article 9, 9.56.19.3.4. The proposed setbacks would mirror the current (RB) Resort Residential setbacks for Hyco Lake. Furthermore, it brings the existing businesses located on the (RB) Recreation Business parcels, in the Hyco Lake Zoning Districts, to compliance.

# ARTICLE 5.

## HYCO LAKE ZONING DISTRICTS

Section 5.1	Establishment of Zoning Districts.....	5-2
Section 5.2	Interpretation .....	5-2
Section 5.3	Primary Zoning Districts.....	5-2
Section 5.4	Table of Permitted/Conditional Uses .....	5-3
Section 5.5	Table of Area, Yard, and Height Requirements.....	5-5

NOTE: Article 5 applies only to the zoned Hyco Lake area  
of Caswell County, as depicted on the Hyco Lake Zoning Map.

## **ARTICLE 5. HYCO LAKE ZONING DISTRICTS**

### **SECTION 5.1 ESTABLISHMENT OF ZONING DISTRICTS.**

In accordance with the requirements of NCGS 153A-342 that zoning regulation be by districts, the Hyco Lake area, as shown on the Hyco Lake Zoning Map, is hereby divided into districts which shall be governed by all of the uniform use and dimensional requirements of this Ordinance.

The purposes of establishing the zoning districts are:

- To implement adopted plans;
- To promote public health, safety, and general welfare;
- To provide for orderly growth and development;
- To provide for the efficient use of resources;
- To facilitate the adequate provision of services.

### **SECTION 5.2 INTERPRETATION.**

Zoning districts have uses specified as permitted by right, conditional uses, and uses permitted with supplemental regulations. Detailed use tables are provided in Section 5.4 showing the uses allowed in each district. The following describes the processes of each of the categories that the uses are subject to:

- **Permitted by Right:** Administrative review and approval subject to district provisions and other applicable requirements only.
- **Permitted with Supplemental Regulations:** Administrative review and approval subject to district provisions, other applicable requirements, and supplemental regulations outlined in Article 6.
- **Conditional Uses:** Board of Adjustment review and approval of Conditional Use Permit subject to district provisions, other applicable requirements, and conditions of approval as specified in Section 4.5. Some Conditional Uses may also be subject to supplemental regulations outlined in Article 6.

### **SECTION 5.3 PRIMARY ZONING DISTRICTS.**

For the purposes of this Ordinance, the Hyco Lake area of Caswell County, North Carolina is hereby divided into the following primary zoning districts: Resort Residential District (RR), Recreation Business District (RB), and Industrial Park District (IP).

# ARTICLE 5. HYCO LAKE ZONING DISTRICTS

## SECTION 5.4 TABLE OF PERMITTED/CONDITIONAL USES.

P - Permitted Use  
C - Conditional Use

PS - Permitted Use with Supplemental Regulations  
CS - Conditional Use with Supplemental Regulations

Uses	Primary Zoning Districts			Supplemental Regulations
	RR	RB	IP	
Accessory buildings and uses that are customary and incidental to the permitted uses	P	P	P	
Amusement parks, including outdoor rides, bowling alleys, miniature golf, swimming pools and bathhouses, dance halls		P		
Bed and Breakfasts Homes	PS			Section 6.20
Church	CS			Section 6.2
Church cemeteries	CS			Section 6.3
Commercial cemeteries	CS			Section 6.4
Commercial marinas for the launching, storage, rental, sale and repair of boats		P		
Community, county, or municipal sewage treatment plants or water treatment plants	CS			Section 6.5
Community, county, or municipal water or sewage pumping stations	CS			Section 6.6
Construction yards			P	
Country clubs	CS			Section 6.7
Customary home occupations	CS			Section 6.8
Day nurseries and kindergartens	CS			Section 6.9
Dwelling, manufactured home (on individual lot with permanent foundation)	C			
Dwelling, single-family (exclusive of tents and mobile campers)	P			
Dwelling, two-family and garage apartments	CS			Section 6.10
Electrical products, sales			P	
Family care home	PS			Section 6.19
Farm machinery, sales			P	
Fire stations	CS			Section 6.11
Fishing and hunting lodges		P		
Gasoline or fuel oil storage			C	
Golf courses, exclusive of miniature golf courses	CS			Section 6.7
Group camp area	CS			Section 6.12
Homes for the aged, clinics, sanitariums	CS			Section 6.13
Industrial research			P	



## ARTICLE 5. HYCO LAKE ZONING DISTRICTS

P - Permitted Use  
C - Conditional Use

PS - Permitted Use with Supplemental Regulations  
CS - Conditional Use with Supplemental Regulations

<i>Uses</i>	<i>Primary Zoning Districts</i>			<i>Supplemental Regulations</i>
	RR	RB	IP	
Industrial uses not otherwise listed			C	
Institutional facilities			P	
Laboratories for testing			P	
Lakeside camping area	CS			Section 6.14
Machine shops			P	
Motels		P		
Parks, picnic areas, public swimming areas, and locations for public access and boat launching, provided that no commercial facilities be established	C			
Printing establishments			P	
Public and private schools	CS			Section 6.7
Public utilities			P	
Radio, television, and microwave towers and relay stations, offices and studios in conjunction with said towers		CS		Section 6.15
Repair shops			P	
Restaurants		P		
Riding stables	CS			Section 6.16
Rural Guest Establishment	CS			Section 6.21
Sale of souvenirs, fishing equipment, food and drinks, sporting goods, and gasoline and oil		P		
Service stations		P		
Shopping centers with retail sales stores, personal services, and offices		P		
Signs	CS			Section 6.17
Storage warehouses			P	
Swimming clubs	CS			Section 6.7
Temporary camporee (nonprofit youth organization)	CS			Section 6.18
Textile plants			P	
Tobacco warehouses			P	
Welding fabrication			P	
Wholesale establishments			P	
Woodworking shops			P	

## ARTICLE 5. HYCO LAKE ZONING DISTRICTS

### SECTION 5.5 TABLE OF AREA, YARD, AND HEIGHT REQUIREMENTS.<sup>1, 4, 5</sup>

District	Lot Area (minimum)	Lot Width (minimum)	Front Yard (minimum)	Side Yard (minimum)	Rear Yard (minimum)	Lot Depth (minimum)
RR Resort Residential	30,000 sq. ft. <sup>2</sup>	100 ft.	30 ft.	15 ft.	20 ft. <sup>3</sup>	150 ft.
RB Recreation Business	30,000 sq. ft. <sup>2</sup>	N/A	<del>100 ft.</del> (30 ft.)	<del>100 ft.</del> (15 ft.)	<del>100 ft.</del> (20 ft.)	150 ft.
IP Industrial Park	5 acres	N/A	100 ft.	100 ft.	100 ft.	N/A

#### NOTES:

<sup>1</sup> Church steeples, chimneys, belfries, water tanks or towers, fire towers, flag poles, spires, monuments, cupolas, domes, antennas (except satellite dish antennas), and similar structures and necessary mechanical appurtenances are not subject to the zoning height limit regulations contained in this Ordinance.

<sup>2</sup> Lots of 20,000 square feet may be approved by the Caswell County Environmental Health Department provided evidence of satisfactory soil evaluation is submitted with subdivision plats, or individual lot, prior to recording plat or sale of lot.

<sup>3</sup> Minimum rear yard zero (0) feet from 420 contour line for lots adjacent to Hyco Lake.

<sup>4</sup> Section 9.56.19.3.4.5, page 9-71, will apply in the Hyco Lake Zoning District.

<sup>5</sup> Cluster subdivisions as provided in Section 9.56.24, page 9-72, are allowed in the Hyco Lake Zoning District.

## Presentation of FY 2021 Audit

**Action Requested:** That the Board of Commissioners receives the FY 2021 Audit.

### Item Summary:

#### *FY21 Audit*

Alan Thompson with Thompson, Price, Scott and Adams, Co. P.A. will be in attendance to review the results of the FY 2021 Audit and deliver required communications to the Board of Commissioners.

Mr. Thompson will overview the information in the attached document and respond to any questions the Board has regarding the information.

#### *Fund Balance Forecast*

In addition to the financial history provided by Mr. Thompson, County staff has updated the County Fund Balance Projection. Based on a preliminary review of the FY 2022 and FY 2023 numbers, the following information is provided as a financial update to the Board of Commissioners. Staff will be available to address any questions on the forecast below.

### CASWELL COUNTY GENERAL FUND - FUND BALANCE HISTORY / PROJECTION as of 1/31/2024

		BUDGETED USE OF FUND BALANCE VERSUS ACTUAL USE (Note 1)			ENDING FUND BALANCE				
		Fiscal Year	Budgeted	Actual	Variance	TOTAL FUND BALANCE		UNASSIGNED FUND BALANCE	
						Dollars	Percent	Dollars	Total
AUDITED	2020	(\$2,156,663)	\$1,384,827	\$3,541,490	\$9,879,513	41.8%	\$3,842,158	13.5%	
	2021	(\$1,846,734)	\$1,210,663	\$3,057,397	\$11,453,196	41.7%	\$4,206,749	15.3%	
FORECAST	2022	(\$1,764,004)	\$2,000,000	\$3,764,004	\$13,453,196	41.5%	\$5,206,749	16.1%	
	2023	(\$1,780,699)	\$2,000,000	\$3,780,699	\$15,453,196	41.7%	\$6,206,749	16.8%	
	2024	(\$2,571,515)	\$500,000	\$3,071,515	\$15,953,196	44.1%	\$6,206,749	17.2%	

Note 1: The Fund Balance Forecasts for FY22 and FY23 are based on preliminary unaudited numbers. The Fund Balance Forecast for FY24 is based on historical budget versus actual historical trends of revenues in excess of estimates and expenditures below budgets.



CASWELL  
COUNTY

# CASWELL COUNTY



## Presentation of Audit Results

Fiscal Year Ended  
June 30, 2021



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910.642.5958 fax  
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# Caswell County

## Presentation Agenda

	<u>PAGE(s)</u>
I. GENERAL COMMENTS	
II. REQUIRED COMMUNICATIONS	
SAS 114	1-4
III. AUDIT RESULTS	5-14
IV. QUESTIONS AND COMMENTS	
V. CLOSE	



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

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

January 17, 2024

To the Board of Commissioners  
Caswell County  
Yanceyville, North Carolina

We have audited the 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 for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 16, 2021. Professional standards also required that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Caswell County are described in Note X to the financial statements. The County changed accounting policies related to Fiduciary Activities by adopting GASB Statement 84, "Fiduciary Activities," effective for fiscal year ending June 30, 2021. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note X, and is reflected in the Statement of Activities, Statement of Changes in Fiduciary Net Position, and the respective governmental fund statements. We noted no transactions entered into by Caswell County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Caswell County's financial statements were:

Management's estimate of depreciation of capital assets is based on management's estimate of the remaining useful lives of the assets. We evaluated the key factors and assumptions used to develop the remaining useful lives of the assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated key

factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. The adjusting entries are attached for your reference.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representation*

We have requested certain representations from management that are included in the management representation letter dated January 17, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Auditing Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Caswell County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The audit report was not issued until 30 months after year-end. The reasons for the delay are summarized in the findings issued in the report.

Various key processes were not completed timely, particularly during year-end closing (i.e. line item review, revenue and expenditure postings, reconciliation to subsidiary ledgers). These are key finance functions that should be completed to ensure that balances are appropriately reflected in the general ledger. The finance staff should become more proactive in posting required year-end adjustments. At year-end, efforts should be made to ensure that all receivables and payables are accurately reflected.



Recent changes were made in several key finance staff positions. As a result of these changes, the County contracted with a third-party CPA firm to assist in preparing the financial statements and performing several reconciling functions. In addition, a consultant associated with the League of Municipalities is also assisting the County catch up.

The EMS receivable balances as well as the allowance should be reviewed and adjusted throughout the year to give an accurate reflection of billings and collections for EMS billings. Additionally, the transition in billing companies has hindered collection of old balances, so those balances remain on the balance sheet as receivables until board action is taken to write those old balances off. This was mentioned in the previous year's letter to governance as well.

Efforts should be made to ensure that all negative fund balances are cleared up, and that all projects that have been completed are closed on the general ledger. Budget amendments should be made to ensure that funds are available prior to approval for payment of expenditures.

The County needs to review the depreciation schedule and prepare a list of assets that has been disposed or is no longer in service throughout the year as opposed to waiting to year end to prepare.

If transfers between funds are recorded, there should be available budget to reflect those transfers. Additionally, budget amendments should be recorded prior to expended funds (see Finding 2021-004).

The County has two outstanding loans associated with the Revolving Loan Fund that are in arrears. Management needs to review these agreements and determine if these loans are collectible. Amended agreements may be needed between the County and the businesses to attempt to collect these funds.

Several prior period adjustments were recorded to correct postings from prior years. Details are provided in the notes as Finding 2021-004. Additionally, the County did not adopt a budget for new funds required by GASB 84 (see Finding 2021-005).

Adequate documentation was not obtained throughout the year to substantiate all transactions recorded for the year (see Finding 2021-007).

Please see the audit report for a more detailed discussion of these findings.

Files should not be located on individual computers but should be stored on a server that is backed up frequently. If these files are not on a server and backed up frequently, in the event of a cyber-attack the County would lose important financial records.

Please ensure that management is aware of the new GASB pronouncements for the upcoming fiscal year. Be especially mindful of GASB No 87: *Leases* as it will take a **significant** amount of time and resources to gather the necessary information. This new standard will be effective for the fiscal year ending June 30, 2022. Additionally, GASB 96: *Subscription Based Information Technology Arrangements* will be effective for the fiscal year ending June 30, 2023.

#### Other Matters

We applied certain limited procedures to the Schedule of County's Proportionate Share of Net Pension Liability (LERS), Schedule of County Contributions (LERS), Schedule of County's Proportionate Share of Net Pension Asset (ROD), Schedule of County Contributions (ROD), Schedule of Change in Total Pension Liability – Law Enforcement Officer's Special Separation Allowance, and Changes in Total OPEB Liability and Related Ratios, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund statement schedules, budgetary schedules, and other schedules, and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of Caswell County and is not intended to be and should not be used by anyone other than these specified parties.

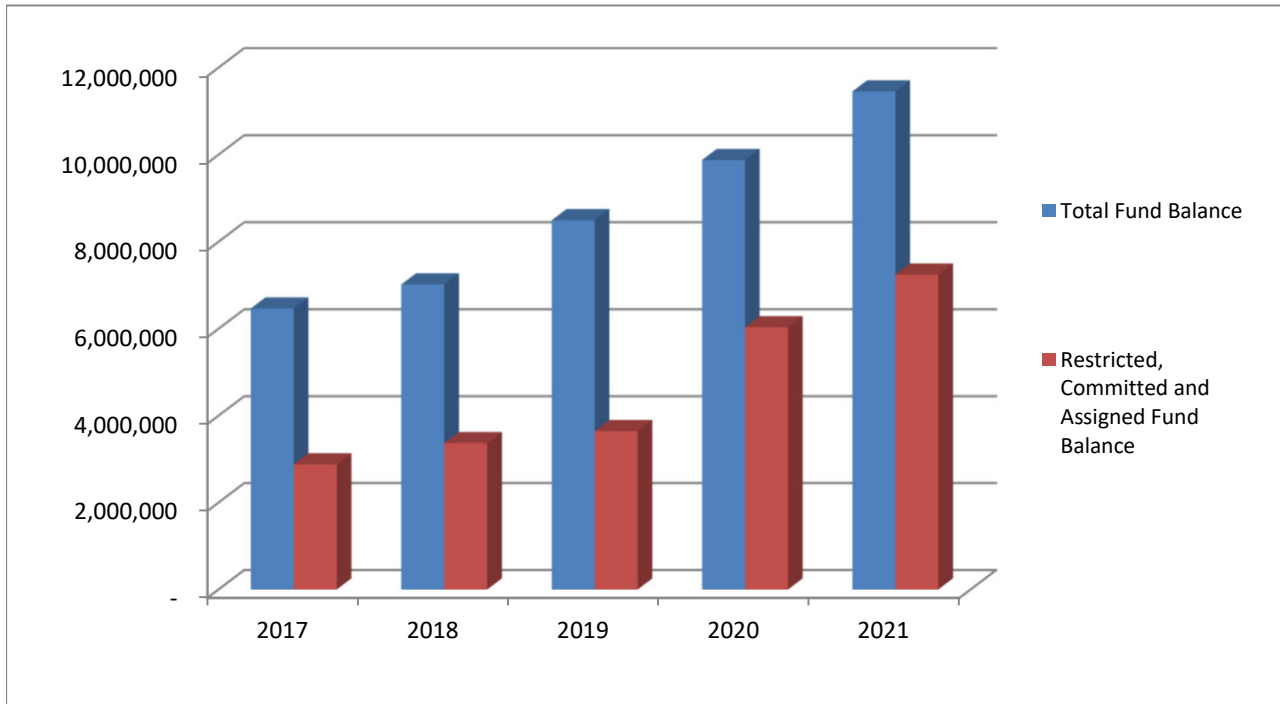
Very truly yours,

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

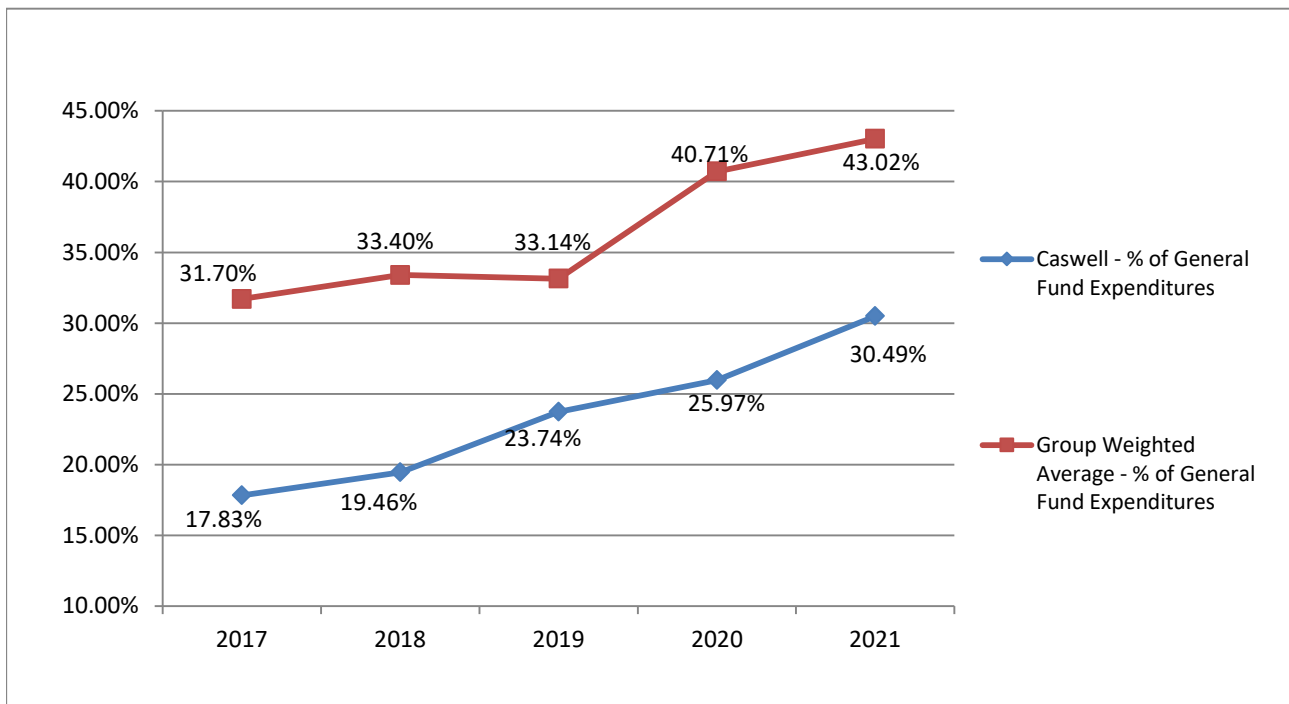
Thompson, Price, Scott, Adams & Co, P.A.

Caswell County					
FINANCIAL INFORMATION FOR 5 YEARS					
	2021	2020	2019	2018	2017
Total Fund Balance - General Fund	11,453,196	9,879,513	8,494,685	7,018,071	6,467,985
Unavailable Fund Balance - GF (Restricted for State Statute, Inventories, Prepaids)	3,074,907	2,490,362	2,202,655	1,754,199	1,547,643
Restricted, Committed, and Assigned Fund Balance (Previously Designated and Reserved Fund Balance)	7,246,447	6,037,355	3,647,188	3,366,659	2,883,235
General Fund Expenditures (including Transfers out)	27,482,588	28,447,932	26,506,196	27,049,408	27,597,496
Fund Balance Available as % of General Fund Expenditures	30.49%	25.97%	23.74%	19.46%	17.83%
Unassigned Fund Balance (Previously Unreserved and Undesignated Fund Balance)	4,206,749	3,842,158	4,847,497	3,651,412	3,584,750
Unassigned Fund Balance as % of General Fund Expenditures (including Transfers out)	15.31%	13.51%	18.29%	13.50%	12.99%
Revenues over (under) expenditures before transfers					
General Fund	1,409,665	1,836,041	1,793,604	1,012,231	(1,126,126)
Other Governmental	(2,978,474)	393,302	(1,138,794)	(1,024,085)	(1,572,165)
Solid Waste Fund	(237,211)	(400,705)	(462,236)	(368,741)	(134,492)
Transportation Fund	39,122	39,528	63,222	18,662	56,919
Cash vs. Fund Balance (Net Position)					
Cash - General	9,583,145	6,468,345	7,028,841	5,976,145	5,474,699
Cash - Other Governmental	11,029,298	602,697	325,420	670,094	350,190
Cash - Solid Waste	-	-	83,505	517,138	976,753
Cash - Transportation	495,691	318,160	359,411	401,269	314,435
Fund Balance - General	11,453,196	9,879,513	8,494,685	7,018,071	6,467,985
Fund Balance - Other Governmental Funds	11,078,333	13,941,152	(42,474)	129,589	275,420
Net Position - Solid Waste	(146,466)	7,745	253,450	715,686	1,151,816
Net Position - Transportation	793,960	754,838	695,714	632,492	634,301
Property Tax Rates	0.735	0.735	0.709	0.746	0.679
Collection Percentages	98.78%	98.60%	98.73%	98.56%	98.54%
Collection Percentages (excluding Motor Vehicle)	98.61%	98.43%	98.57%	98.40%	98.37%
Total Property Valuation	1,711,373,877	1,689,717,687	1,673,424,683	1,644,921,973	1,624,741,826
Total Levy Amount	12,578,598	12,388,812	11,864,581	12,269,473	11,031,997
Breakdown of Debt (Excl Compensated Absences & OPEB)					
Governmental - General Obligation	-	201,769	413,539	630,309	852,079
Governmental - Capital Leases	-	-	-	-	71,605
Governmental - Bond Anticipation Note	13,150,000	13,150,000	-	-	-
Governmental - Private Placement	3,609,000	4,265,000	4,921,000	5,577,000	6,233,000
Governmental - Installment Purchases	1,187,662	1,391,014	1,714,771	1,455,639	1,458,030
	17,946,662	19,007,783	7,049,310	7,662,948	8,614,714
Breakdown of General Fund Revenues					
Ad Valorem Taxes	12,840,795	12,618,569	12,225,306	12,526,482	11,303,518
Other Taxes, License & Permits	6,615,097	4,955,267	4,629,698	4,278,909	3,975,979
Intergovernmental Revenue	6,296,704	7,859,582	6,840,687	6,886,141	6,864,925
Sales and Services	2,837,293	2,133,779	2,622,749	2,001,308	2,062,120
Investment Earnings	4,327	86,505	139,922	65,745	29,658
Miscellaneous	75,818	119,936	47,834	9,695	72,056
Total	28,670,034	27,773,638	26,506,196	25,768,280	24,308,256
Breakdown of General Fund Expenditures					
General Government	4,676,780	3,501,661	3,198,714	2,984,485	2,901,878
Public Safety	7,738,147	7,540,235	6,809,574	6,552,514	6,681,128
Cultural & Recreational	649,284	684,761	736,062	647,806	654,447
Environmental Protection	110,726	108,546	104,969	107,419	101,882
Economic and Physical Development	671,692	576,438	499,647	511,151	499,546
Human Services	8,478,923	8,638,062	8,390,952	8,633,435	9,215,018
Education	3,720,008	3,511,195	3,491,195	3,791,195	3,792,240
Debt Service	1,215,017	1,376,699	1,466,969	1,528,044	1,588,243
Total	27,260,577	25,937,597	24,698,082	24,756,049	25,434,382

## Caswell County Analysis of Fund Balance

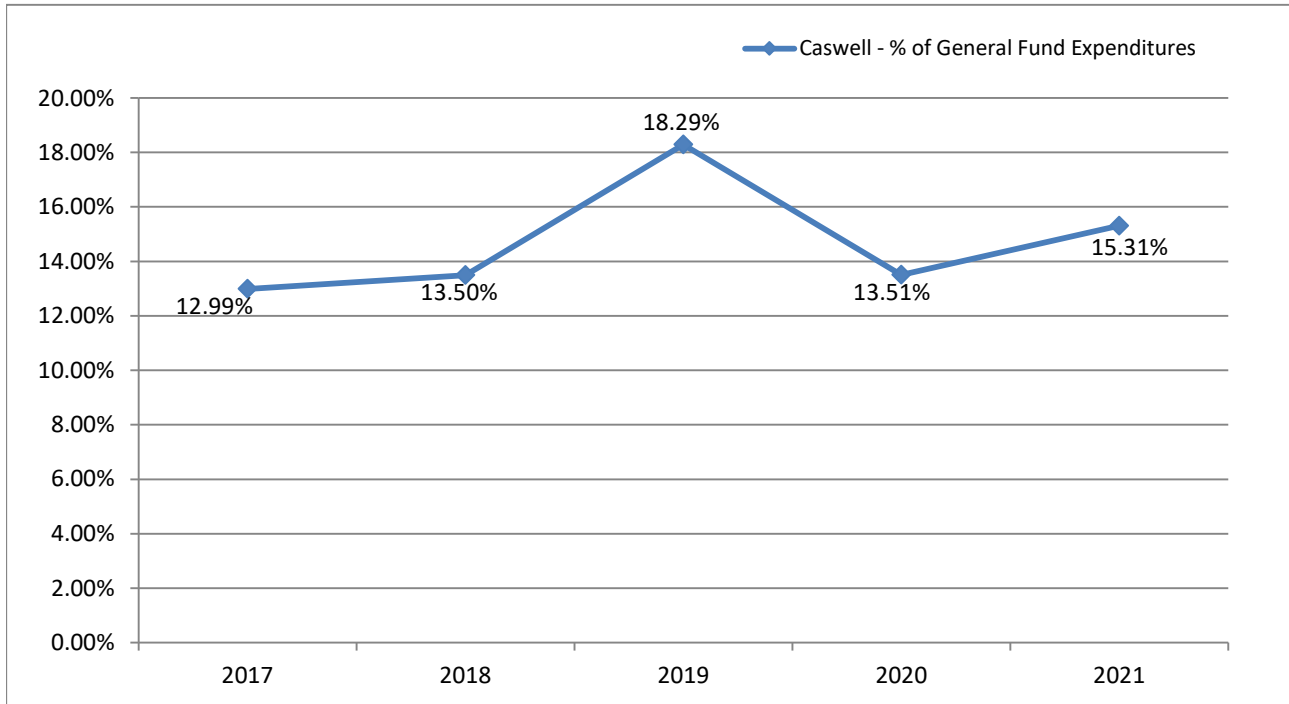


## Caswell County Analysis of Fund Balance Available



## Caswell County

### Analysis of Unassigned Fund Balance as a % of General Fund Expenditures



## Caswell County

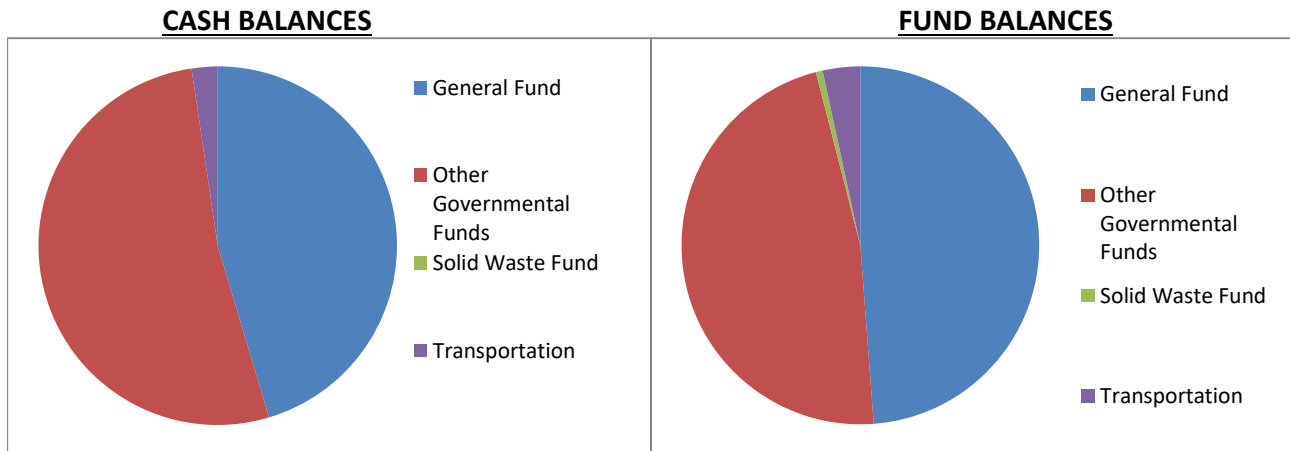
### Analysis of Revenues Over (Under) Expenditures before Transfers



# Caswell County

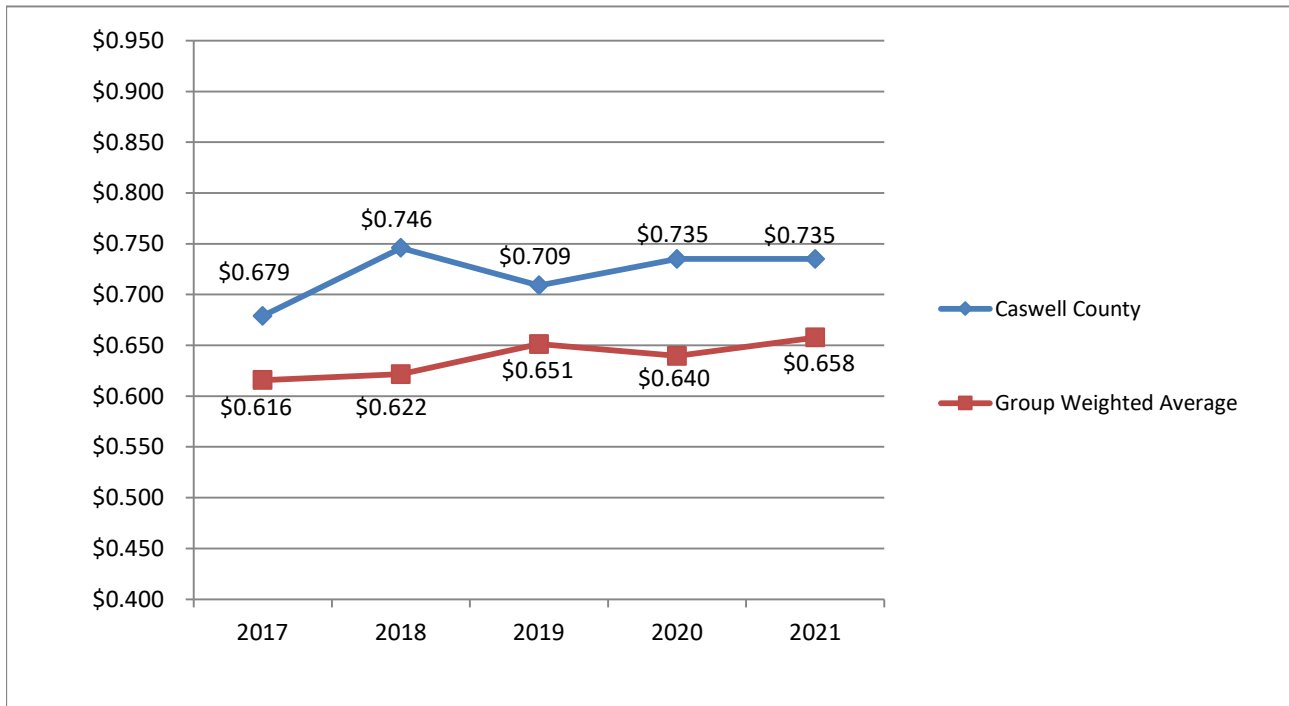
## Analysis of Cash and Fund Balances

### at June 30, 2021

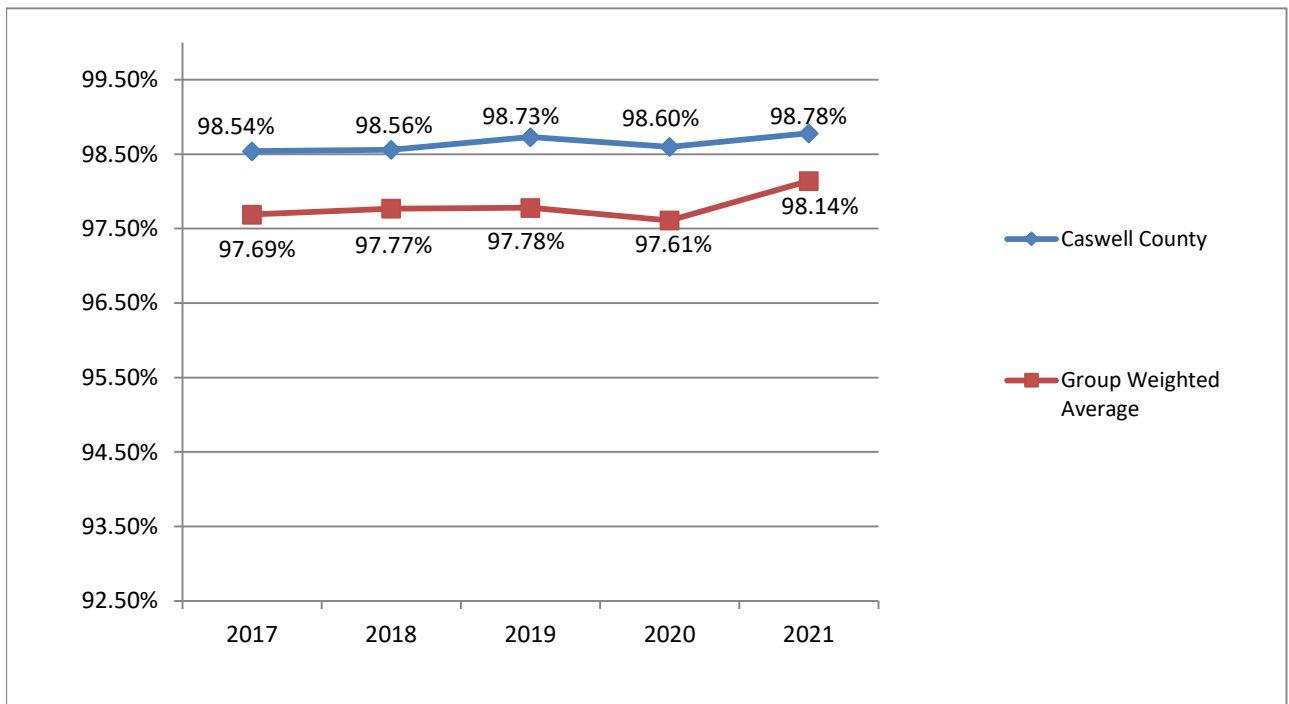


	2021	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 9,583,145	\$ 11,453,196
Other Governmental Funds	11,029,298	11,078,333
Solid Waste Fund	-	(146,466)
Transportation	495,691	793,960
Total	<u>\$ 21,108,134</u>	<u>\$ 23,179,023</u>

## Caswell County Property Tax Rates



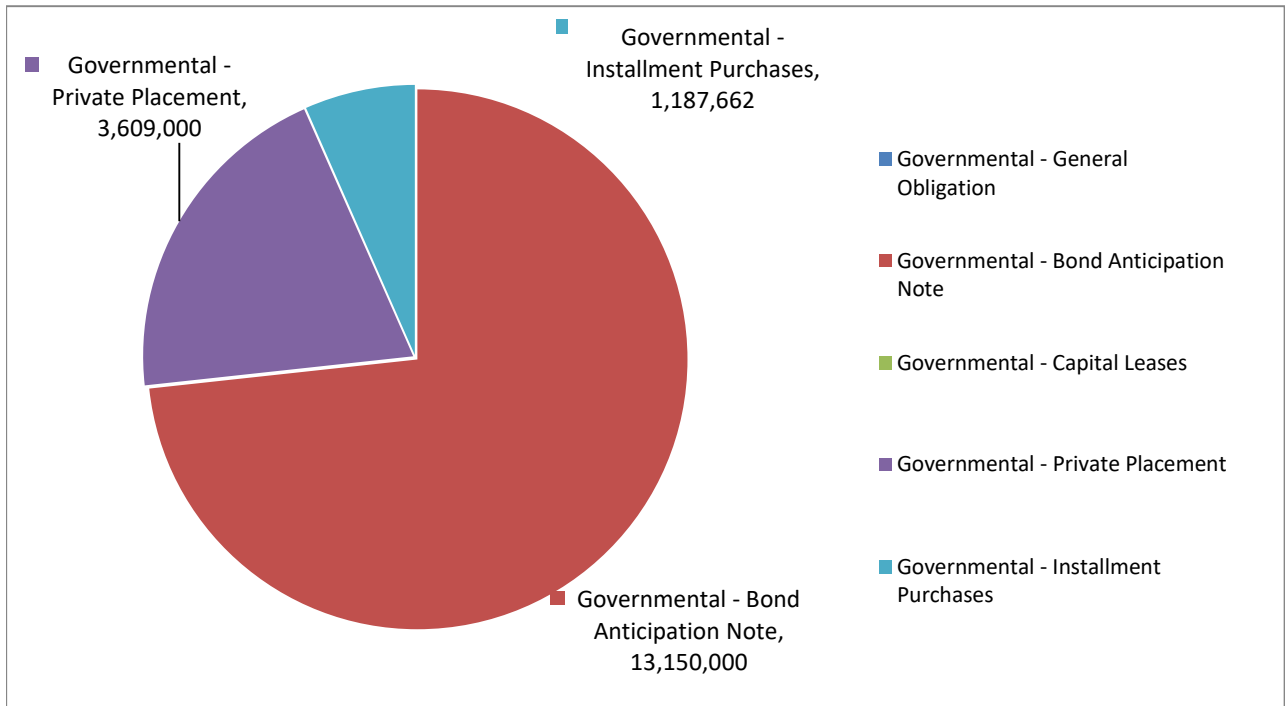
## Caswell County Collection Percentages



# Caswell County

## Debt Analysis (excluding Compensated Absences & OPEB)

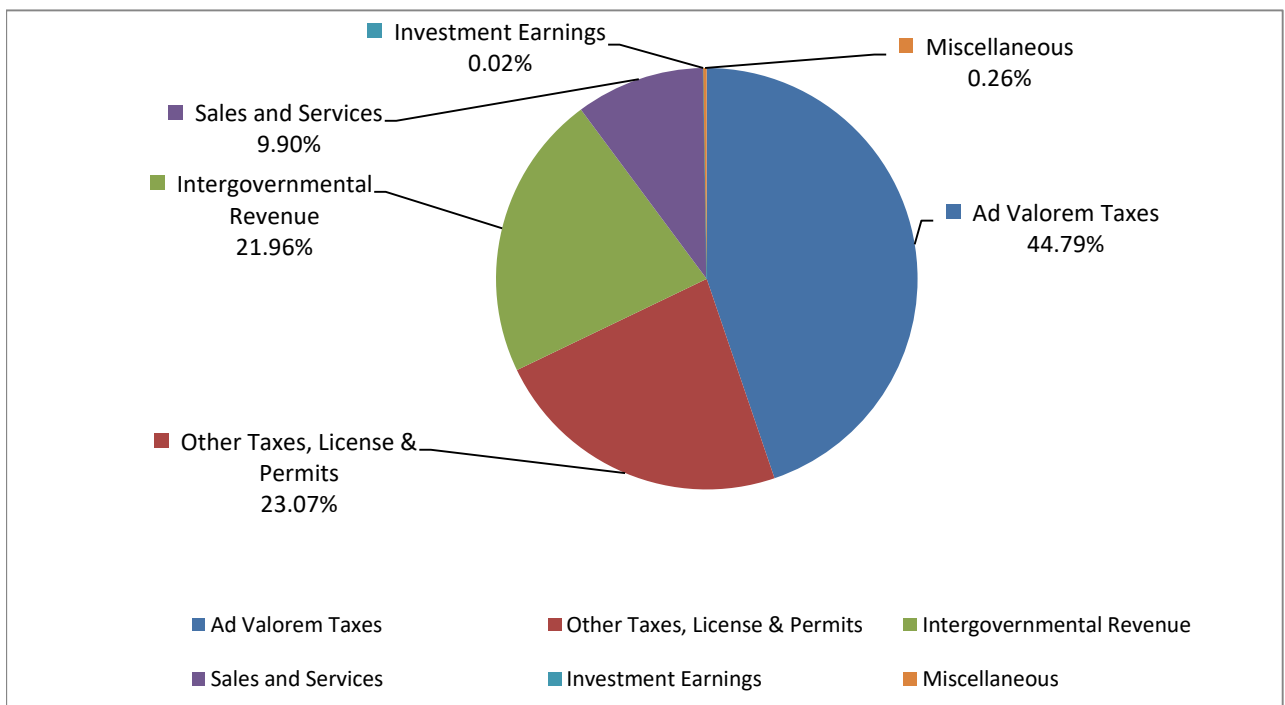
### FYE June 30, 2021



# Caswell County

## Break Down of General Fund Revenue

### FYE June 30, 2021

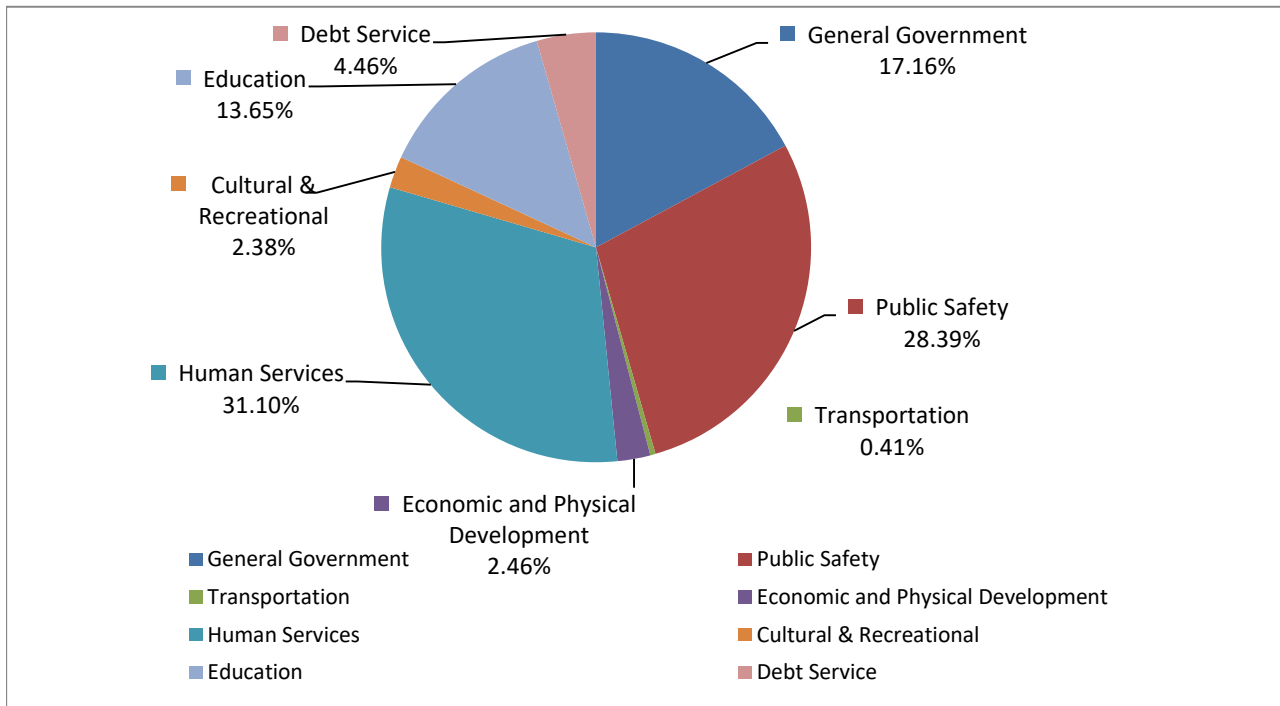




# Caswell County

## Break Down of General Fund Expenditures

### FYE June 30, 2021



## **ADDITIONAL REQUIRED COMMUNICATIONS**

### Changes to the Audit Process

The Local Government Commission (LGC) will no longer initiate communications about concerns or findings (formerly considered unit letters). They have created a spreadsheet that has to be completed and submitted with the audit report. If that worksheet identifies what they consider a "Financial Performance Indicators of Concern" (FPICs), we are required to communicate those items to the Board.

You are required to submit a response within 60 days of the Board meeting in which the financial statements are presented. The detailed audit response should be presented to the entire Board, and signed by the entire Board, Finance Officer, and Manager.

There were seven financial statement findings noted in our audit report, which are the items that have to be addressed in a response to the LGC.

#### **Finding 2021-001                      Reconciliation of Records**

In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted timely to include cash, receivables, payables, and other balance sheet accounts. Records for Coronavirus Relief Fund and Public School Building Capital Fund were also not reconciled and maintained properly.

#### **Finding 2021-002                      Deficit Fund Balances**

The County had two funds with a negative fund balance: Fines and Forfeitures and Solid Waste Management Fund.

#### **Finding 2021-003                      Prior Period Adjustments**

An adjustment was recorded in the Revolving Loan Fund to correct the outstanding balances as of June 30, 2020 to properly reflect accrued interest balances which decreased beginning fund balance by \$1,992. The County also recorded an adjustment to accrue the September 2020 local option sales tax distribution as of June 30, 2020, which resulted in an increase in fund balance of \$450,262. This was offset by the write off of fiscal year 2020 food sales tax refunds which were not claimed for reimbursement within the State's deadline that resulted in a decrease of \$87,242, for a net increase in fund balance in the General Fund of \$363,020. The Equipment and Automation Fund recorded an adjustment to close out beginning fund balance which resulted in a decrease of \$37,425.

After further examination with the bond counsel, it was determined that the County would not hold the asset for the new school construction as it will be financed by GO Bonds. An adjustment was recorded on the government-wide statements to remove the CIP balance, which resulted in a decrease of net position in governmental activities of \$2,601,908 associated with expenses associated with the school project.

**Finding: 2021-004                      Budget Violations**

The budget was overspent in the following departments in General Fund: Administration \$44,224, Register of Deeds \$36,122, Public Facilities \$1,794, Emergency Management \$30,080, Emergency Medical Services \$108,997, Section 8 Housing Authority \$59,678, Library \$3,862, and Transfers to Other Funds \$63,303; Special Fire District Fund \$88,646 and Deed of Trust Fund \$30,772.

**Finding: 2021-005                      Budget Violation**

The County did not adopt a budget for the newly established funds required by the implementation of GASB 84 (Representative Payee and Fines and Forfeitures), which resulted in overexpenditures of \$283,054 and \$48,391, respectively.

**Finding: 2021-006                      Late Submission of Audit**

The report was not finalized until 30 months after year end.

**Finding: 2021-007                      Retention of Records (Lack of Internal Controls)**

There were several tests performed as part of the audit procedures that the County was not able to provide adequate documentation to substantiate the postings. When performing Health Department testing, the County could not provide any record of internal monitoring performed during the year. As part of revenue testing, they County was unable to provide support for 8 deposits made in the month of July 2020 and of 19 transactions selected for testing miscellaneous revenue, the client was unable to provide support for 8 of the transactions. For payroll testing, computations could not be provided for selected terminated employees and documentation was not maintained concerning overtime. For expenditure testing, the County was unable to provide support for 7 of 33 transactions requested for Travel; for cash disbursement testing, the County was unable to provide support for 17 out of 40 items requested; for credit card testing, the County did not have adequate support for the charges selected to review. As it related to journal entry testing, the County could not provide adequate support for 6 of the 14 items we selected.

The following items were also identified on the Data Input worksheet that should be addressed in your response:

	2021	Target	
<b>If a unit has no performance indicators of concern that would require them to submit a Response to Audit Findings, Recommendations and Fiscal Matters, but they are currently on the Unit Assistance List, they must still submit a Response to Audit Findings, Recommendations and Fiscal Matters. Their response should discuss the financial plan they have developed to address the issues that placed them on the Unit Assistance List and the progress they have made to date.</b>	Yes	On the Unit Assistance List	Yes

As of the creation of this worksheet your unit was on the Unit Assistance List. Please provide details of what progress you have made to date to improve the issues that placed you on the list and future progress you intend to make. If you are unaware that you are on the Unit Assistance List please email [LGCMonitoring@nctreasurer.com](mailto:LGCMonitoring@nctreasurer.com) and request a copy of the letter notifying you of your status on the Unit Assistance List.

## **Agenda Item – Audit Contracts Approvals**

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**Action Requested:** That the Board of Commissioners take the following actions with respect to audit contracts:

1. Approve FY21 Contract Amendment
2. Approve FY22 and FY23 Audit Contracts

### **Item Summary:**

#### **1. FY21 Contract Amendment**

The following reasons contributed to the need for an amended FY21 contract:

- Software Implementation – Primary issue: Complete change in Chart of Accounts and beginning balances in new software did not match ending balances from previous audit.
- Issues with staff turnover and workload on remaining staff
- Reconciliations not completed between subsidiary ledgers and general ledgers – additional time spent on reconciliations.

The final contract presented requires an amendment from the original amount of \$54,750 to \$75,750.

#### **2. FY22 and FY23 Audit Contracts**

Thompson, Price, Scott and Adams, Co. P.A. (TPSA) has agreed to perform the FY 2022 and FY 2023 Audits concurrently rather than consecutively to complete the audits as soon as possible. Staff at the Treasurer's Office, who must approve the audit contracts, have endorsed this approach.

TPSA has provided a reasonable cost for the audits to include preparation of the financial statements. For the County to have the opportunity to complete both the FY 2022 and FY 2023 Audits within this current fiscal year, it is important to enter into contracts for both fiscal years to complete the audits as efficiently as possible.

Whereas	Primary Government Unit CASWELL COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable)
and	Auditor THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/21	and originally to be submitted to the LGC on	Date 10/31/21
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hereby agree that it is now necessary that the contract be modified as follows.

☒ Modification to date submitted to LGC

Original date 10/31/21	Modified date 01/19/24
Original fee \$ 54,750.00	Modified fee \$ 75,750.00

☒ Modification to fee

Primary Other  
(choose 1)(choose 0-2)

#### Reason(s) for Contract Amendment

- |                                  |                                     |  |
|----------------------------------|-------------------------------------|--|
| <input type="radio"/>            | <input type="checkbox"/>            | Change in scope  |
| <input type="radio"/>            | <input checked="" type="checkbox"/> | Issue with unit staff/turnover/workload  |
| <input type="radio"/>            | <input type="checkbox"/>            | Issue with auditor staff/turnover/workload   |
| <input type="radio"/>            | <input type="checkbox"/>            | Third-party financial statements not prepared by agreed-upon date  |
| <input type="radio"/>            | <input type="checkbox"/>            | Unit did not have bank reconciliations complete for the audit period   |
| <input type="radio"/>            | <input checked="" type="checkbox"/> | Unit did not have reconciliations between subsidiary ledgers and general ledger complete                                   |
| <input type="radio"/>            | <input type="checkbox"/>            | Unit did not post previous years adjusting journal entries resulting in incorrect beginning balances in the general ledger |
| <input type="radio"/>            | <input type="checkbox"/>            | Unit did not have information required for audit complete by the agreed-upon time  |
| <input type="radio"/>            | <input type="checkbox"/>            | Delay in component unit reports  |
| <input checked="" type="radio"/> | <input type="checkbox"/>            | Software - implementation issue  |
| <input type="radio"/>            | <input type="checkbox"/>            | Software - system failure  |
| <input type="radio"/>            | <input type="checkbox"/>            | Software - ransomware/cyberattack  |
| <input type="radio"/>            | <input type="checkbox"/>            | Natural or other disaster  |
| <input type="radio"/>            | <input type="checkbox"/>            | Other (please explain)   |

#### Plan to Prevent Future Late Submissions

If the amendment is submitted to modify the date the audit will be submitted to the LGC, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years. Audits are due to the LGC four months after fiscal year end. Indicate NA if this is an amendment due to a change in cost only.

The County converted software and completely changed chart of accounts. The beginning balances in the new software did not agree with the ending balances from the previous audit. A third party was hired to help the County reconcile the beginning balances and to perform bank reconciliations, subsidiary ledgers, etc.

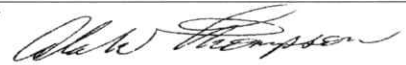
#### Additional Information

Please provide any additional explanation or details regarding the contract modification.


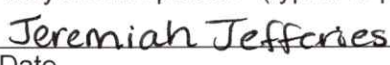
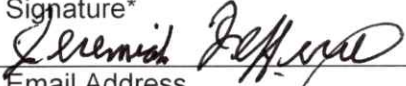

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm*	
THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative* (typed or printed) ALAN W. THOMPSON	Signature* 
Date* 01/17/24	Email Address alanthompson@tpsacpas.com

## GOVERNMENTAL UNIT

Governmental Unit*	
CASWELL COUNTY	
Date Primary Government Unit Governing Board Approved Amended Audit Contract* (If required by governing board policy)	
Mayor/Chairperson* (typed or printed)  ✓	Signature*  
Date 2/5/24 ✓	Email Address jjefferies@caswellcountync.gov ✓

Chair of Audit Committee (typed or printed, or "NA") na	Signature
Date	Email Address

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

**\*ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT\***

(Pre-audit certificate not required for hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer*  ✓	Signature*  
Date of Pre-Audit Certificate* 2/5/2024 ✓	Email Address* jhammock@caswellcountync.gov ✓

The	Governing Board BOARD OF COMMISSIONERS
of	Primary Government Unit CASWELL COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.
	Auditor Address 1626 S MADISON ST, WHITEVILLE, NC 28472

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/22	Date Audit Will Be Submitted to LGC 04/30/24
-----	--------------------------------	---

*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then



the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title and Unit / Company:

Email Address:

JOHNNA SHARPE

CONSULTANT

js@johnnasharpe.com

OR Not Applicable ☐ (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.


3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

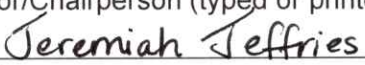
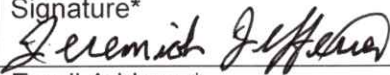
<b>Primary Government Unit</b>	CASWELL COUNTY
Audit Fee (financial and compliance if applicable)	\$ 72,000
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 6,000
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 78,000</b>
<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm* THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative (typed or printed)* ALAN W. THOMPSON	Signature* 
Date* 01/17/24	Email Address* alanthompson@tpsacpas.com

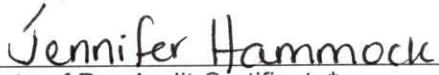
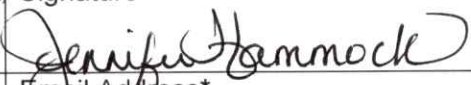
## GOVERNMENTAL UNIT

Governmental Unit* CASWELL COUNTY	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	.
Mayor/Chairperson (typed or printed)* 	Signature* 
Date 2/5/24	Email Address* jjefferies@caswellcountync.gov
Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Sum Obligated by This Transaction:	\$ 78,000
Primary Governmental Unit Finance Officer* (typed or printed) 	Signature* 
Date of Pre-Audit Certificate* 2/5/24	Email Address* jhammock@caswellcountync.gov





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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

January 17, 2024

Caswell County  
144 Court Square  
PO Box 98  
Yanceyville, NC 27379

To Management and Those Charged with Governance:

We are pleased to confirm our understanding of the services we are to provide Caswell County for the year ended June 30, 2022.

#### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures to the financial statements, which collectively comprise the basic financial statements, of Caswell County as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Caswell County's 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. As part of our engagement, we will apply certain limited procedures to Caswell County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability (Asset) and Schedule of Total Pension Liability (Asset) as a Percentage of Covered-Employee Payroll
3. Schedule of Changes in the Total OPEB Liability and Related Ratios
4. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – LGERS
5. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – ROD

We have also been engaged to report on supplementary information other than RSI that accompanies Caswell County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

**Members**

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



1. Schedule of Expenditures of Federal and State Awards.
2. Combining and Individual Fund Financial Statements, Budgetary Schedules, and Other Schedules

Our responsibility for other information included in documents containing the entity's audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in these documents is properly stated.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditors' report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on-

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit will be conducted in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories (if material), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures-Internal Controls**

We will obtain an understanding of the entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Test of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures-Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Caswell County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. Accordingly, we will express no such opinion. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures

described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Caswell County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Caswell County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of Caswell County in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We may also assist in preparing year end cash to accrual entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and State awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal and State awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and State awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, (Johnna Sharpe), who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of the schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and State awards; federal or State award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during

the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by February 15, 2024.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and State awards. You also agree to make the audited financial statements readily available to intended users of schedules of expenditures of federal and State awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

## **Engagement Administration, Fees, and Other**

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period.

We will provide copies of our reports to the Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams & Co., P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request in a timely manner to Oversight Agencies (or its designee), a federal agency provided direct or indirect funding, or the U.S. Government Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams & Co., P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit by approximately February 12, 2024, and to issue our reports no later than April 30, 2024. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, should not exceed \$78,000. Also, any excessive additional fees incurred in obtaining required audit evidence (i.e., bank confirmations) will be billed directly to the Board. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the

date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If additional programs are required to be tested that have not been identified as major programs for testing in previous years, additional fees may be charged at standard hourly rates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. However, we believe our contract as it is will be sufficient to cover but we do want to reserve the right to discuss this issue.

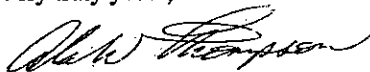
### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners and management of Caswell County. We will make reference to the Component auditor's audit of the Caswell County ABC Board. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement. If circumstances occur related to the condition of your records, the availability of sufficient appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Caswell County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Alan W. Thompson, CPA  
Thompson, Price, Scott, Adams & Co., P.A.

RESPONSE:

This letter correctly sets forth the understanding of Caswell County.

Management signature:

Title:

Date:

Governance signature:

Title:

Date:

SIGN HERE

SIGN HERE

CC: Board of Commissioners

The	Governing Board BOARD OF COMMISSIONERS
of	Primary Government Unit CASWELL COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.
	Auditor Address 1626 S MADISON ST, WHITEVILLE, NC 28472

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 05/31/24
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*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then



the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title and Unit / Company:

Email Address:

JOHNNA SHARPE

CONSULTANT

js@johnnasharpe.com

OR Not Applicable ☐ (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.


3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	CASWELL COUNTY
Audit Fee (financial and compliance if applicable)	\$ 74,000
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 6,500
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 80,500</b>
<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm* THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative (typed or printed)* ALAN W. THOMPSON	Signature* 
Date* 01/17/24	Email Address* alanthompson@tpsacpas.com

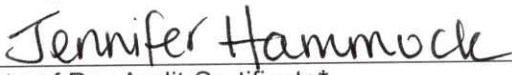

## GOVERNMENTAL UNIT

Governmental Unit* CASWELL COUNTY	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* 	Signature* 
Date 2/5/2024	Email Address* jjefferies@caswellcountync.gov
Chair of Audit Committee (typed or printed, or "NA") NA	Signature
Date	Email Address

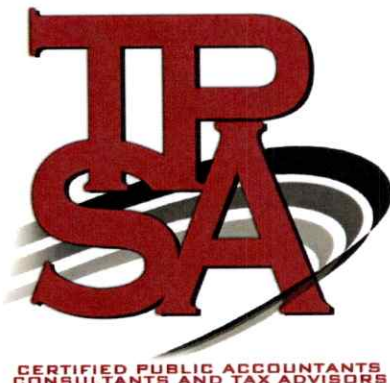
## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 80,500
Primary Governmental Unit Finance Officer* (typed or printed) 	Signature* 
Date of Pre-Audit Certificate* 2/5/2024	Email Address* jhammock@caswellcountync.gov





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

**P.O. Box 398**

**1626 S Madison Street**

**Whiteville, NC 28472**

**Telephone (910) 642-2109**

**Fax (910) 642-5958**

**Alan W. Thompson, CPA**

**R. Bryon Scott, CPA**

**Gregory S. Adams, CPA**

January 17, 2024

Caswell County  
144 Court Square  
PO Box 98  
Yanceyville, NC 27379

To Management and Those Charged with Governance:

We are pleased to confirm our understanding of the services we are to provide Caswell County for the year ended June 30, 2023.

#### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures to the financial statements, which collectively comprise the basic financial statements, of Caswell County as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Caswell County's 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. As part of our engagement, we will apply certain limited procedures to Caswell County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability (Asset) and Schedule of Total Pension Liability (Asset) as a Percentage of Covered-Employee Payroll
3. Schedule of Changes in the Total OPEB Liability and Related Ratios
4. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – LGERS
5. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – ROD

We have also been engaged to report on supplementary information other than RSI that accompanies Caswell County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

**Members**

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



1. Schedule of Expenditures of Federal and State Awards.
2. Combining and Individual Fund Financial Statements, Budgetary Schedules, and Other Schedules

Our responsibility for other information included in documents containing the entity's audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in these documents is properly stated.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditors' report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on-

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit will be conducted in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories (if material), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures-Internal Controls**

We will obtain an understanding of the entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Test of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures-Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Caswell County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. Accordingly, we will express no such opinion. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures

described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Caswell County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Caswell County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of Caswell County in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We may also assist in preparing year end cash to accrual entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and State awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal and State awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and State awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, (Johnna Sharpe), who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of the schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and State awards; federal or State award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during

the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by May 1, 2024.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and State awards. You also agree to make the audited financial statements readily available to intended users of schedules of expenditures of federal and State awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

## **Engagement Administration, Fees, and Other**

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period.

We will provide copies of our reports to the Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams & Co., P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request in a timely manner to Oversight Agencies (or its designee), a federal agency provided direct or indirect funding, or the U.S. Government Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams & Co., P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit by approximately March 1, 2024, and to issue our reports no later than May 31, 2024. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, should not exceed \$80,500. Also, any excessive additional fees incurred in obtaining required audit evidence (i.e., bank confirmations) will be billed directly to the Board. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the

date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If additional programs are required to be tested that have not been identified as major programs for testing in previous years, additional fees may be charged at standard hourly rates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. However, we believe our contract as it is will be sufficient to cover but we do want to reserve the right to discuss this issue.

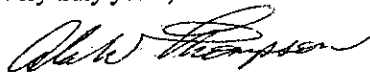
### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners and management of Caswell County. We will make reference to the Component auditor's audit of the Caswell County ABC Board. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement. If circumstances occur related to the condition of your records, the availability of sufficient appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Caswell County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us:

Very truly yours,



Alan W. Thompson, CPA  
Thompson, Price, Scott, Adams & Co., P.A.

RESPONSE:

This letter correctly sets forth the understanding of Caswell County.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

SIGN HERE

SIGN HERE

CC: Board of Commissioners

## Enactment of Pay & Classification Ordinance and Personnel Ordinance Changes

**Action Requested:** That the Board of Commissioners enacts a Pay and Classification Ordinance and approves changes to the Personnel Ordinance.

### Item Summary:

At a Board Work Session on November 20, 2023, staff presented recommended changes related to the County's pay and compensation practices.

### A. Salary Changes:

The November 20<sup>th</sup> salary recommendations included:

1. Eliminating the Hiring Range,
2. Moving the entire pay range 3%, and
3. Reclassifying certain positions.

#### *Revised Salary Change Recommendation:*

Based on feedback from the Board, the revised recommendation is **only to eliminate the Hiring Range**. Any range movement or market adjustments will be deferred to the Fiscal Year 2025 budget process.

**Figure A: Slide from the original presentation, indicating the second and third recommendations are no longer recommended.**

Salary Range Change Recommendations		
Change	Reason	Process to Change
Eliminate Hiring Range	Negatively impacts recruiting  No budget impact as positions are budget at minimum for vacant positions	Amend Personnel Policy Language  Adopt Pay and Classification Ordinance <i>(discussed later)</i>
Move entire range 3% (#1 Type from slide 11)	New plan was set "below market"  A 3% movement moves market but is still less than 2024 pay increase	Adopt Pay and Classification Ordinance
Reclass positions that received a 13.5% to reflect market changes (#2 Type from slide 11)	Intent of the pay increases was to address market changes  Only the Board of Commissioners can change the pay scale and this was not formally done during budget	Change Salary Grades for Public Safety, Solid Waste and Information Technology through Adoption of Pay and Classification Ordinance  <b>Note: No pay changes needed</b>

**Attachment A:** The Pay and Classification Ordinance attached to the agenda item formally adopts the Pay and Classification plan without any changes in the salary range minimums, midpoints and maximums and does not include any position reclassifications.



## B. Personnel Policy Changes:

The November 20<sup>th</sup> recommended personnel policy changes included the following:

Figures B and C: Slide from original presentation, indicating the second and third recommendations are no longer recommended.

## Personnel Ordinance Changes (See handout for language changes)

Ref	Change	Reason	Policy Section
A	Eliminate Appendix O: Salary Schedule	Replaced by Pay & Classification Ordinance to be adopted annually	Section 10.6 and Appendix O, Page 204
B	Eliminate Hiring Range	Negatively impacts recruiting	Delete Section 10.7
C	Clarify Setting of Hiring Salaries	Eliminate hiring rate; allow hiring salaries to be set within the pay range subject to proper approval. Eliminate language about “step increase” and allow for a bonus if salary is over the maximum of the pay range.	Section 10.5

## Personnel Ordinance Changes (continued)

Ref	Change	Reason	Policy Section
D	Modify Salary Upon Reinstatement	Delete that a reinstated is entitled to any across-the board pay increases given prior to reinstatement.	10.7.1
E	Modify Salary upon Promotion	Correlate promotion increases to the level of grade change: One band is a minimum of 5% pay increase, two bands or more a minimum of 10%	10.7.3
F	Pay for Temporary Assignments	Clarify the language on the payment for temporary assignment of duties.	10.8
G	Update Pay Frequency From Monthly to Bi-Weekly	County moved to Bi-weekly pay. Some places in the Personnel Ordinance still reflect monthly and require change to comply with current procedures.	10.12, Appendix N, Page 202.

**Attachment B:** The ordinance attached includes the formal revisions to be made to County’s Personnel Ordinance to be effective January 1, 2024.

## ATTACHMENT A

### CASWELL COUNTY, NORTH CAROLINA PAY AND CLASSIFICATION ORDINANCE FOR FISCAL YEAR 2024

***BE IT ORDAINED*** by the Board of County Commissioners of Caswell County, North Carolina, that the County's Classification and Compensation is hereby amended to eliminate the Hiring Rate:

**Section 1: SALARY SCHEDULES.** The salary minimums, midpoints, and maximums are hereby established for the following effective January 1, 2024 and remain the same as adopted in 2022.

**Section 2: POSITION CLASSIFICATIONS.** Position Titles for full-time regular jobs have been assigned a salary grade.

**Section 3: SALARY SCHEDULES:**

SALARY GRADE	MINIMUM	MIDPOINT	MAXIMUM
55	23,911	29,034	35,297
56	24,939	30,283	36,814
57	26,011	31,585	38,397
58	27,129	32,942	40,047
59	28,295	34,359	41,769
60	29,512	35,837	43,566
61	30,782	37,378	45,440
62	32,106	38,986	47,394
63	33,487	40,663	49,433
64	34,926	42,411	51,558
65	36,428	44,234	53,774
66	37,994	46,136	56,087
67	39,628	48,120	58,499
68	41,332	50,189	61,014
69	43,110	52,348	63,638
70	44,963	54,598	66,374
71	46,896	56,946	69,228
72	48,913	59,395	72,205
73	51,016	61,949	75,310
74	53,210	64,612	78,548
75	55,498	67,390	81,926
76	57,884	70,288	85,448
77	60,374	73,311	89,123
78	62,970	76,463	92,955
79	65,678	79,752	96,953
80	68,502	83,181	101,122
81	71,447	86,758	105,470
86	88,188	107,086	130,183

## ATTACHMENT A

### Section 4: POSITION CLASSIFICATIONS (in alphabetical order).

Each job classification includes a Fair Labor Standards Act (FLSA) designation to indicate if the position is Non-exempt (N) or Exempt (E) with respect to compensation for time and a half overtime. Exempt means an employee is exempt from being paid overtime for hours worked in excess of 40 hours per week.

POSITION TITLE	FLSA	GRADE
ACCOUNTING TECHNICIAN I	N	59
ACCOUNTING TECHNICIAN II	N	61
ADMIN OFFICER I	N	67
ADMIN OFFICER II	N	70
ADMINISTRATION ASSISTANT	N	63
ADMINISTRATIVE SPECIALIST	N	59
ANIMAL CONTROL OFFICER	N	62
ANIMAL CONTROL SUPERVISOR	N	65
ASSISTANT COUNTY MANAGER	E	77
ASST REGISTER OF DEEDS	N	63
BOARD OF ELECTIONS DIRECTOR	N	68
BUILDING CODES ADMINISTRATOR	E	74
BUILDING CODES INSPECTOR I	N	66
BUSINESS PERSONAL PROPERTY APPRAISER	N	63
CAPTAIN	N	72
CENTRAL PERMITTING DIRECTOR	E	77
CHIEF DEPUTY	N	76
CHILD SUPPORT AGENT II	N	65
CLERK TO BOARD/PIO	N	70
COMMUNITY HEALTH TECH	N	56
COMMUNITY PARAMEDIC	N	69
COMMUNITY SOCIAL SERVICES ASSISTANT	N	57
COORDINATOR HEALTH SERVICES	N	70
CORPORAL	N	66
COUNTY MANAGER	E	86
CUSTODIAL CREW LEADER	N	59
CUSTODIAN	N	55
DELINQUENT COLLECTIONS SPECIALIST	N	62
DEPUTY SHERIFF	N	64
DEPUTY COUNTY MANAGER	E	79
DEPUTY FINANCE DIRECTOR	E	72
DEPUTY REGISTER OF DEEDS	N	60
DETECTIVE	N	68
DETENTION OFFICER	N	63
ECONOMIC DEVELOPMENT DIRECTOR	E	78
EMERGENCY MEDICAL SERV MANAGER	E	74
EMERGENCY SERVICE DIRECTOR	E	79
EMS CREW CHIEF	N	71

## ATTACHMENT A

POSITION TITLE	FLSA	GRADE
EMT-BASIC	N	61
EMT-B/ MAINT COORD	N	64
EMT-PARAMEDIC	N	66
ENVIRONMENTAL HEALTH SPECIALIST	N	67
ENVIRONMENTAL HEALTH SPECIALIST TRAINEE I	N	67
ENVIRONMENTAL HEALTH DIRECTOR	N	77
EVIDENCE TECHNICIAN/ADMIN ASST	N	62
FACILITY & UTILITY MAINT MANAGER	N	73
FACILITY & UTILITY SUPERVISOR	N	69
FINANCE DIRECTOR	E	78
FINANCE TECH	N	64
GIS ADMINISTRATOR	N	71
HOUSING INSPECTOR	N	64
HUMAN RESOURCE DIRECTOR	N	76
HUMAN RESOURCES SPECIALISTS	N	65
HUMAN SERVICES COORD III	N	68
INCOME MAINTENANCE SUPERVISOR II	N	67
INCOME MAINTENANCE CASEWORKER I	N	63
INCOME MAINTENANCE CASEWORKER II	N	64
INCOME MAINTENANCE CASEWORKER III	N	65
INVESTIGATOR	N	68
IT DIRECTOR	N	74
IT SUPPORT SPECIALIST	N	67
JCPC PROGRAM COORDINATOR	N	63
LAKE WARDEN	N	65
LANDS RECORD SPECIALIST	N	62
LEAD TELECOMMUNICATOR	N	64
LIBRARY CIRCULATION SPECIALIST	N	58
LIBRARY ASSOCIATE	N	62
LIBRARY DIRECTOR	E	74
LIBRARY SPECIALIST	N	62
LIEUTENANT	N	70
MAINTENANCE MECHANIC	N	61
MAJOR	N	74
MEDICAL OFFICE ASSISTANT	N	57
NATURAL RESOURCE CONSERVATIONIST	N	67
NURSING SUPERVISOR	E	74
NUTRITIONIST II	N	66
PARKS & RECREATION DIRECTOR	E	71
PAYROLL SPECIALIST	N	65
PERMIT SPECIALIST	N	63
PUBLIC HEALTH NURSE SUPERVISOR I	E	74
PHYSICAL THERAPY ASSISTANT II	N	67
PHYSICAL THERAPY SUPERVISOR I	E	79
PHYSICIAN EXTENDER I	E	79
PHYSICIAN EXTENDER II	E	81
PLANNING DIRECTOR	N	72

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POSITION TITLE	FLSA	GRADE
PROCESSING ASSISTANT III	N	57
PROCESSING ASSISTANT IV	N	59
PROCESSING ASSISTANT V	N	61
PUBLIC EDUCATOR I	N	63
PUBLIC EDUCATOR II	N	67
PUBLIC HEALTH DIRECTOR	E	81
PUBLIC HEALTH NURSE II	E	72
PUBLIC HEALTH NURSE III	E	73
REAL PROPERTY APPRAISER	N	67
RECREATION MAINTENANCE COORDINATOR	N	64
RECREATION PROGRAM SUPERVISOR	N	68
REGISTER OF DEEDS	E	73
SECTION 8 HOUSING MANAGER	N	69
SECTION 8 OCCUPANCY SPECIALIST	N	62
SECTION 8 OCCUPANCY SPECIALIST	N	62
SENIOR ADMINISTRATIVE SPECIALIST	N	61
SENIOR CENTER PROGRAM ASSISTANT	N	59
SENIOR FINANCE TECHNICIAN	N	64
SENIOR LIBRARY ASSOCIATE	N	64
SENIOR MAINTENANCE MECHANIC	N	64
SENIOR SERVICES MANAGER	N	69
SENIOR SERVICES NUTRITION COORDINATOR	N	63
SENIOR SERVICES PROGRAM SPECIALIST	N	63
SERGEANT	N	68
SERGEANT - FIRST	N	70
SHERIFF	E	81
SMALL BUSINESS DEVELOPMENT COORDINATOR	N	67
SOCIAL SERVICES DIRECTOR	E	80
SOCIAL WORK-SUPERVISOR II	N	70
SOCIAL WORK SUPERVISOR III	E	73
SOCIAL WORKER I	N	63
SOCIAL WORKER I A&T	N	70
SOCIAL WORKER II	N	67
SOCIAL WORKER III	N	69
SOLID WASTE MANAGER	E	70
SOLID WASTE SPECIALIST	N	62
TAX ADMINISTRATOR	E	76
TAX CUSTOMER SERVICE REPRESENTATIVE	N	60
TELECOMMUNICATIONS DATABASE COORDINATOR	N	65
TELECOMMUNICATIONS MANAGER	E	73
TELECOMMUNICATIONS OPERATIONS	N	67
TELECOMMUNICATOR	N	63
TRANSIT DIRECTOR	N	67
TRANSIT OPERATIONS SUPERVISOR	N	63
VICTIM SERVICES ADVOCATE	N	63
VICTIM SERVICES MANAGER	E	69
VICTIM SERVICES PROGRAM COORDINATOR	N	65
VICTIM SERVICES SPECIALIST	N	61
VICTIM SERVICES SPECIALIST	N	61
WIC BREAST FEEDING COORD	N	56

## ATTACHMENT A

**Section 5: PART-TIME TEMPORARY CLASSIFICATIONS AND PAY RATES:** The County's job classifications include part-time temporary employees that are paid on hourly rate not included in the regular salary ranges. Those jobs are listed below and rates of pay are hourly unless otherwise noted.

POSITION TITLE	MINIMUM RATE	MAXIMUM RATE
ASSISTANT LAKE WARDEN	15.00	20.00
CLERICAL WORKER III	9.00	18.00
EMT-P	16.10	22.00
ENV HEALTH SPECIALIST P/T	40.00	45.00
HOME SCHOOL REC COORDINATOR PT	12.00	15.00
LANDFILL ASSISTANT P/T	12.00	20.00
LIBRARY PAGE	7.73	10.00
P/T HEALTH NURSE II TEMP	35.00	40.00
PHYSICAL THERAPY ASST II	28.00	35.00
RECREATION ASSISTANT PT	7.73	13.00
RECREATION OFFICIAL PT	30.00 per game	N/A
ROAD SIGN INSTALLER PT	18.00	25.00
SPECIAL COORDINATOR	22.00	26.00
TRANSIT DRIVER	14.00	18.00
VICTIM SERVICES SPEC P/T	15.00	20.00

**Section 6: ADMINISTRATION OF PAY AND CLASSIFICATION PLAN:** The County Manager is authorized to administer the pay plan subject to the policies set forth in the County's Personnel policies.

**Section 7: AUTHORIZATION TO MAKE TECHNICAL CORRECTIONS:** The County Manager is hereby authorized to make technical corrections to existing job titles or pay grades to properly administer the Pay and Classification Ordinance in a timely manner. The County Manager shall report changes made at the next regular meeting for information purposes.

Adopted on this the 5<sup>th</sup> day of February, 2024.

  
Board Chair

  
Clerk to the Board



## ATTACHMENT B

### CASWELL COUNTY, NORTH CAROLINA PERSONNEL ORDINANCE CHANGES

**BE IT ORDAINED** by the Board of County Commissioners of Caswell County, North Carolina, that the County's PERSONNEL ORDINANCE is changed to reflect the revisions outline below effective January 1, 2024.

**Changes are noted in the following text format:**

*Strikethrough indicates existing language being deleted*

**Bold, shaded indicates new language**

#### **CHANGE A: – Pay Plan established through Pay and Classification Ordinance**

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##### **Policy Section: 10.6 The Pay Scale**

The pay scale shall be a fixed-step, integrated scale with sufficient pay grades to adequately compensate the employees covered by the position classification and pay plan. All employees must be paid at least the Federal or state's hourly minimum wage, whichever is greater.

**Adjustments to the pay scale will be done in conjunction with the annual budget process and reflected in the adopted Pay and Classification Ordinance.**

*All cost-of-living increases granted by the County Commissioners shall be applied to all the pay rates in the scale.*

#### **CHANGE B – Eliminate Hiring Range in Pay Range**

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##### **10.7 — Salary Upon Completion of Probationary Period**

*At the successful completion of the probationary period, a general employee may be considered for a 4% increase if first employed at the hiring rate of the salary range. An employee hired at a salary above the normal hiring rate will receive salary increases as provided for under normal provisions.*

#### **CHANGE C – Clarify Setting of Hiring Salaries**

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##### **Policy Section: 10.5 Use of Salary Ranges**

Salary ranges are intended to permit the recognition of individual performance. The following general provisions shall govern the granting of within range, step, and pay increments:

*The entry level for each class is the hiring rate, except in those cases where unusual circumstances appear to warrant appointment at a higher rate. Appointment above the hiring rate may be made with the approval of the appointing authority. Above hiring rate appointments* **The appointing authority may set hiring salaries between the minimum and midpoint of the salary range, subject to the approval of the Human Resources Director. Hiring salaries** will be based on such factors as **the years of relevant experience**, qualifications of the applicant being higher than the minimum education and training for the class, a shortage of qualified applicants available at the hiring rate and the refusal of qualified applicants to accept employment at the **offered salary**. ~~hiring rate.~~ Except in cases of

## ATTACHMENT B

employees in training status, no employee shall be hired at rate below the hiring rate minimum for the assigned grade. Recommended hiring rates above the midpoint of the salary range will require approval of the County Manager in advance of an offering being made.

When an employee reaches the last step maximum in their pay grade, the employee will no longer be eligible for step increases an increase in annual salary. Any across the-board increase subsequently approved will still be granted to the employee. may be awarded to the employee as a one-time bonus which is determined as part of the annual adoption of the Pay and Classification Plan.

### CHANGE D – Modify “Salary Upon Reinstatement”

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#### Policy Section: 10.7.1 Salary Upon Reinstatement

When an employee is reinstated in a position of the same class after separation from the County of not more than one (1) year, and when the separation was not due to discreditable circumstances, the employee may receive at least the same rate of pay as at the time of separation, ~~plus any across the-board pay increases given prior to reinstatement.~~

### CHANGE E – Modify Salary Upon Promotion

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#### Policy Section: 10.7.3. Salary After Upon Promotion

An employee who is promoted shall receive a minimum salary adjustment of 5 percent if moving one grade higher; 10 percent if two grades higher or more or to the minimum of the new higher grade. ~~or 4%,~~ whichever is higher. If the employee's previous experience warrants, the salary may be adjusted, with the recommendation of the appointing authority, and approval of the County Manager. In some cases, a promotion represents a significant change in the nature of work and an immediate salary increase may not be appropriate or equitable. In these cases, the appointing authority shall consult with the Human Resources Director and County Manager regarding a salary increase, upon promotion, that does not provide the above-stated increase.

### CHANGE F – Clarify Payment for Temporary Assignment

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#### Policy Section: 10.8 Payment for Temporary Assignment

When the necessity arises for an employee to temporarily assume the responsibility of another position in a class recognized at a higher grade for a period of more than 30 calendar days, the employee shall be compensated for the entire period of the temporary assignment at ~~the regular rate assigned the higher class or an increase of 4~~ the higher of: 5 percent of current salary for one pay grade higher or 10 percent for two pay grades higher or the minimum range of the temporary assignment salary grade range, ~~whichever is greater.~~ In such cases increased payment shall be approved by the County Manager. The employees pay will return to their previous pay upon the position to which the employee was temporarily assigned when filled. If any pay increases were awarded during the temporary assignment, the employee's previous pay will be adjusted by such increase.



## ATTACHMENT B

### CHANGE G – Update Pay Frequency from Monthly to Bi-weekly

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**Policy Section: 10.12 Preparation of Payroll**

All payrolls shall be prepared by the Finance Office from time sheets approved by the appropriate supervisors. Paychecks shall be direct deposited on the 4<sup>th</sup> **bi-weekly Fridays** *of each month*. If **the pay day** Friday falls on an official County holiday, paychecks will be direct deposited no later than the last regular work day prior to the holiday.


**Policy Section: Appendix N, Page 204**

\*\* Department of Health

On Call Procedures Personal Health Division: ☐ Employees who are “On-Call” are paid a flat rate set by the department and approved by the Board of Commissioners. ☐ This flat rate is an hourly rate for each hour that the employee is “On- Call” rotation and is paid on addition to the employee’s regular ~~monthly~~ **bi-weekly** pay;

**Changes Adopted on this the 5<sup>th</sup> day of February, 2024.**

  
Board Chair

  
Clerk to the Board

**CASWELL COUNTY, NORTH CAROLINA**  
**FISCAL YEAR 2024**  
**BUDGET AMENDMENT NO. 9**  
**Meeting Date: 02/05/2024**

**BE IT ORDAINED** by the Caswell County Board of Commissioners that the following amendment is hereby made to the Fiscal Year 2024 budget.

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**Item I: Grant received from The Community Foundation (CFDRR) of the Dan River Region for Parks and Rec**

**JUSTIFICATION:** The Caswell County Parks & Recreation Department has received a Performance Grant from The CFDRR for the procurement of child-safe and durable playground equipment and to implement safety measures including surfacing material. The grant period runs from January 10, 2024 - December 16, 2024.

		<u>FY24 Current Budget</u>	<u>Increase (Decrease)</u>	<u>FY24 Amended Budget</u>
<b>REVENUES:</b>				
P&R CFDRR Grant	1006120 336212	\$ -	\$ 12,500.00	\$ 12,500.00
<b>TOTAL REVENUES</b>		\$ -	\$ 12,500.00	\$ 12,500.00
<b>EXPENDITURES:</b>				
P&R CFDRR Grant	1006120 565000	\$ -	\$ 12,500.00	\$ 12,500.00
<b>TOTAL EXPENDITURES</b>			\$ 12,500.00	\$ 12,500.00

**ATTEST:**



Clerk to the Board

*Feb. 5, 2024*

Date



Board Chairman

**CASWELL COUNTY, NORTH CAROLINA**  
**FISCAL YEAR 2024**  
**BUDGET AMENDMENT NO. 10**  
**Meeting Date: 02/05/2024**

**BE IT ORDAINED** by the Caswell County Board of Commissioners that the following amendment is hereby made to the Fiscal Year 2024 budget.

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**Item I: Amendment for Audit Fees**

**JUSTIFICATION:** When the FY 2024 Budget was developed, we inadvertently did not include the estimated cost for the FY 2022 and FY 2023 Audits. The anticipated completion date of both Audits is by May 31, 2024, within FY 2024. Given this is a one-time expense of catch up Audits, we are recommending using Fund Balance Appropriation to cover the cost of the two Audit Contracts. The current available balance in Professional Services-Audit expenditure line is \$44,250, which is needed to pay the final billing for the FY 2021 Audit. Therefore, the additional appropriation needed is for the cost of two years' Audits.

The estimated cost for the FY 2022 Audit is \$78,000 (not to exceed) and includes preparation of Financial Statement.  
The estimated cost for the FY 2023 Audit is \$80,500 (not to exceed) and includes preparation of Financial Statement.

		<b>FY24 Current Budget</b>	<b>Increase (Decrease)</b>	<b>FY24 Amended Budget</b>
<b>REVENUES:</b>				
Appropriated Fund Balance	100000 390000	\$ 2,108,555.00	\$ 158,500.00	\$ 2,267,055.00
<b>TOTAL REVENUES</b>		<u>\$ 2,108,555.00</u>	<u>\$ 158,500.00</u>	<u>\$ 2,267,055.00</u>
<b>EXPENDITURES:</b>				
Professional Services - Audit	1004200 519100	\$ 56,250.00	\$ 158,500.00	\$ 214,750.00
<b>TOTAL EXPENDITURES</b>			<u>\$ 158,500.00</u>	<u>\$ 158,500.00</u>

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**ATTEST:**



Clerk to the Board

Feb. 5, 2024

Date



Board Chairman

## **Agenda Item – Health Department Budget Amendment to include Authorization for An Additional .5 FTE**

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**Action Requested:** That the Board of Commissioners approves a Health Department Budget Amendment and authorizes an additional .5 FTE Nurse Practitioner

### **Item Summary:**

The Health Department has received and additional \$222,589 in State Funding. The following information provides information on the source, frequency, amount, purpose and uses of the new funding, much of which is recurring.

In addition to appropriating the FY24 revenues, the Health Department is requesting authorization for a new .5 FTE Nurse Practitioner.

**Attachments:** Health Department Budget Amendment #1 (County Budget Amendment #11)

<b>Funding</b>	<b>Amount</b>	<b>Purpose</b>	<b>Uses</b>	<b>Results</b>
State AA117 Public Health Infrastructure	\$141,559 every year for 5 years	Ensure an adequate public health workforce, including creating positions, recruitment, and retention (not to supplant local funding)	A part time nurse practitioner (new), a community health worker (presently authorized).	Salary and fringe \$119,222 Recruitment and retention bonuses for public health nurses, public health educator. \$18,316 Portion of regional workforce development operational budget (\$3,000)  I had budgeted for a health educator that I am converting to community health worker so there will only be an increase of 0.5 FTE for the nurse practitioner.
State AA130 Managing chronic disease in Pregnant Women	One time \$2000	Used to purchase blood pressure monitors and glucometers to give to pregnant women to manage their chronic disease during pregnancy		Completely put towards supplies (other)
State AA 351 – Child Health	Amount was \$933 higher than forecasted	Covers salary in child health program		Added to salary reduced fund balance

Funding	Amount	Purpose	Uses	Results
				budgeted in that program by \$933
State AA 415 – Breastfeeding Peer Counselor	Amount was \$1325 higher than forecasted	Covers salary of Breastfeeding Peer Counselor		Adjusted to cover salary, using less county appropriation
State AA 514 – Public Health Preparedness	Amount was \$2000 higher than forecasted	Covers salary of Public Health Educator		Offsets county appropriation
State AA 546 – ARPA Pandemic Recovery Communicable Disease	Amount anticipated (budgeted) was \$263,471. Only received \$116,491	Adjusted by using a different pot of covid funding		Did not result in any overall change
State AA 554 – TB	Received additional \$540	For the provision of TB services		Used in salary line item to offset fund balance
State AA 620 – ARPA Pandemic Recover – School Health	Received \$138,400	To fund school health staff.	We have one part time temporary serving as school health liaison with this funding. The remainder is used to support the two additional nurses employed by the school system.	\$16,800 for our part time temporary employee \$121,600 in contracted services to be paid to Caswell County Schools to help pay for the 2 additional nurses employed during the pandemic.
AA 621 – ARPA Regional Workforce Development	Received \$85,304 for regional workforce development	To support public health workforce		\$70,000 contracted services (Strategic Plan, EH software, and consultant for community health assessment) \$2,000 for food and provisions (staff training events, team building) \$3,000 small tools and equipment for scanners printers computers \$2000 travel mileage for trainings \$130 travel subsistence for trainings \$2400 training (continuing education and training for staff) \$5774 dues and subscriptions – to purchase Microsoft office, docusign, canva, etc
State AA 716 – Covid Vaccination Program	Received additional \$98,000 for a total of \$205,342	To support covid vaccination	Increased salary being charged to covid vaccine to	Salary and fringe \$72,479

Funding	Amount	Purpose	Uses	Results
			<p>offset fund balance and/or county appropriation</p> <p>Capital Improvement funds will be used to update flooring in clinic area and paint.</p> <p>Lease covers partial lease of covid vaccine clinic space. Lease ended and vaccine program brought into main facility</p>	<p>Contracted services \$15,000</p> <p>Supplies, other \$3,103</p> <p>Supplies, medical \$5000</p> <p>Small tools/Equip \$20,000</p> <p>Printing \$2,000</p> <p>Advertising \$3,000</p> <p>Fuel \$1,000</p> <p>Vehicle Repair \$2,000</p> <p>Capital Outlay \$72760</p> <p>Lease \$9000</p>
State AA 719 – Bridge Access	\$38,864	To provide vaccine free of charge to uninsured and underinsured individuals	<p>Increase salary amount in covid vaccine to offset salary in other programs results in reduction of fund balance and/or county appropriate</p> <p>Miscellaneous Operating Expense was increased because we are allowed to pay ourselves \$65 vaccine administration fee for every covid shot given to uninsured or underinsured patient. (200 vaccines at \$65 = \$13,000)</p>	<p>Salary and fringe \$10,938</p> <p>Contracted services \$2,700</p> <p>Program Supplies \$3,000</p> <p>Small tools and Equipment \$9,226</p> <p>Misc Operating Expense (\$13,000)</p>

**CASWELL COUNTY BUDGET AMENDMENT # 11**  
**HEALTH DEPARTMENT BUDGET AMENDMENT #1**

Be it ordained, the FY 2023-2024 Budget Ordinance is hereby amended as follows:

PUBLIC HEALTH 5110		Amended 1	Amended 2	
Expenditure Line	Account Code	Increases/Decreases		Revised Budget
Board Expenses	1405110-517000		\$	4,400.00
Salaries	1405110-512100	(\$26,713.00)	\$	1,770,715.00
On Call	1405110-512200		\$	15,000.00
Longevity	1405110-512700	(\$1,174.00)	\$	14,702.00
SS/FICA	1405110-518100	\$10,631.00	\$	136,591.00
LGRS	1405110-518200	\$14,382.00	\$	214,521.00
Health Insurance	1405110-518300	\$23,389.00	\$	242,692.00
Bonuses		\$18,316.00		\$18,316.00
Contracted Services	1405110-519900	\$220,255.00	\$	599,335.00
Food & Provisions	1405110-522000	\$2,383.00	\$	4,083.00
Program Supplies	1405110-529100	\$11,802.00	\$	66,665.00
Medical Supplies	1405110-523800	(\$7,120.00)	\$	44,004.00
Office Supplies	1405110-526000	\$50,000.00	\$	63,400.00
Small Tools & Equipment	1405110-529500	\$8,890.00	\$	75,978.00
Mileage	1405110-531100	\$500.00	\$	8,060.00
travel subsistence	1405110-531200	(\$200.00)	\$	2,805.00
telephone	1405110-532100		\$	12,000.00
Maintenance & Repair	1405110-535200	(\$660.00)	\$	11,540.00
Advertising	1405110-539200	(\$9,036.00)	\$	13,055.00
Laundry	1405110-539200		\$	550.00
Training	1405110-531000	(\$800.00)	\$	7,500.00
Rental of Copier	1405110-543100		\$	12,000.00
Rental of Postage Meter	1405110-543200		\$	1,300.00
Capital Outlay	1405110-550000	(\$8,458.00)	\$	51,158.00
Vehicle Repair	1405110-535300	\$1,500.00	\$	8,800.00
Postage	1405110-526100		\$	11,600.00
Insurance/Bonding	1405110-545000		\$	4,500.00
Dues and Subscriptions	1405110-549100	\$6,674.00	\$	39,124.00
Fuel	1405110-525100	(\$17,939.00)	\$	20,362.00
Printing	1405110-534000	\$2,500.00	\$	3,850.00
Credit Card/misc fees	1405110-539900	(\$100.00)	\$	400.00
Lease of Space	1405110-558000	\$9,000.00	\$	30,600.00
Misc	1405110-549900		\$	13,100.00
<b>TOTAL EXPENSE BUDGET</b>			\$	<b>3,522,706.00</b>
Revenue Lines	Account Code	Increases/ Decreases		Amended Budget
State - Public Health		\$ 222,589.00	\$	1,320,637.00
AUBP Payments			\$	183,200.00
County Appropriation			\$	774,942.00
Medicaid	1405110333103		\$	504,700.00
Medicare	1405110333101		\$	1,000.00
Direct Fees	1405110333107		\$	151,900.00
Private Insurance	1405110333100		\$	29,200.00
Capitation			\$	12,800.00
Fund Balance			\$	544,327.00
<b>TOTAL REVENUE BUDGET</b>			\$	<b>3,522,706.00</b>

*Justification*

That all Ordinances or portions of Ordinances in conflict, are hereby repealed.

*Joseph A. Earle*  
 Approved by the Health Director

*01/23/2024*  
 Date

*He Moseitz*  
 Approved by Board of Health, Chair

*01/23/2024*  
 Date

*Carla Smith*  
 Clerk to the Board of County Commissioners

*02/05/2024*  
 Date

**APPROVED BY THE CASWELL COUNTY BOARD OF COUNTY COMMISSIONERS**