

ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

FOR THE FISCAL YEAR ENDED
June 30, 2020



*Prepared by the
Caswell County Finance Department*

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Caswell County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise Caswell County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Members

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Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Caswell County, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Changes in the Total OPEB Liability and Related Ratios on pages 4 through 12 and 63 through 69, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, on our consideration of Caswell County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caswell County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Caswell County, we offer readers of Caswell County's financial statements this narrative overview and analysis of the financial activities of Caswell County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

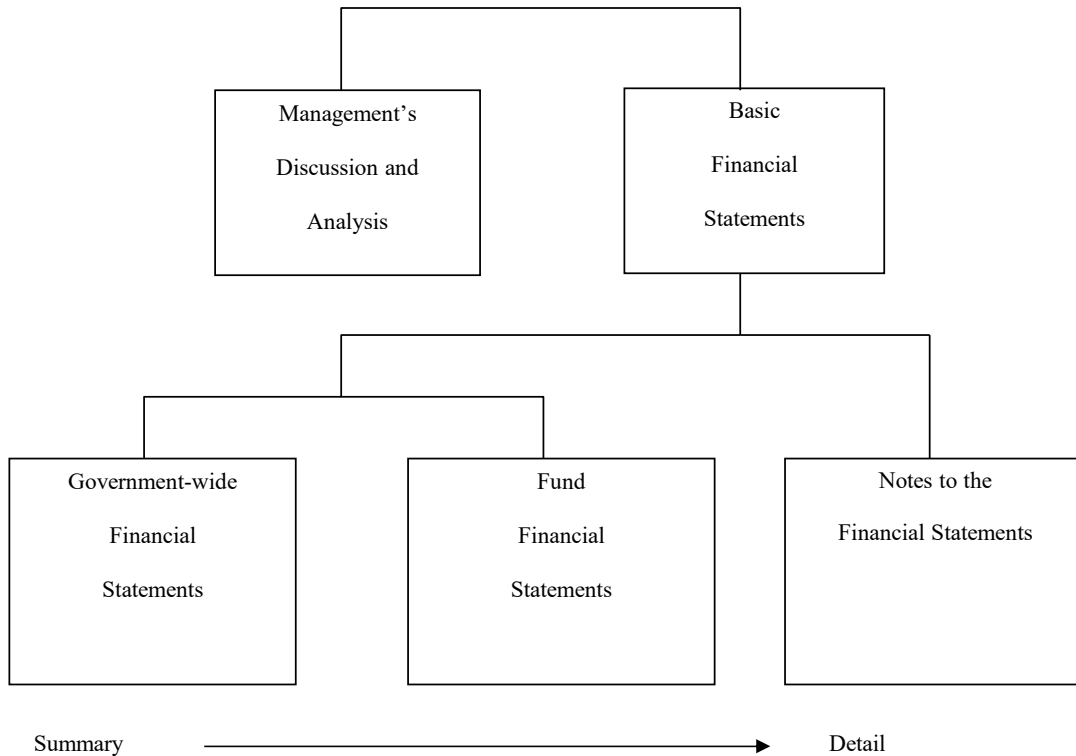
- The assets and deferred outflows of resources of Caswell County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$225,651,052 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,888,469 (net position).
- The total assets and deferred outflows of resources of Caswell County's business-type activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$762,583 (net position).
- The government's current net position increased by \$5,037,520. This increase was a result of an increase of \$5,224,101 in governmental activities and a decrease of \$186,581 in business-type activities. A prior period adjustment was also recorded to reflect outstanding revolving loan fund balances.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$23,820,665; an increase of \$15,224,343 in comparison to the prior year. Approximately 15.91 percent of this total amount or, \$3,790,249 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,842,158 or 13.51 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt increased by \$11,958,473 or 169.64 percent during the current fiscal year.
- The County's overall tax rate for the current fiscal year is 0.735 cents per \$100 valuation. Tax collection percentage for the current fiscal year was 98.60% as compared to 98.73% in the prior year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements.

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Caswell County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 63-69 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$25,651,052 as of June 30, 2020. The County's net position increased by \$5,192,520 for the fiscal year ended June 30, 2020. One of the largest portions, \$21,467,656 (83.69%) reflects the County's net investment in capital assets. Caswell County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Caswell County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Caswell County's net position \$17,899,559 (69.78%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$13,716,163 (-53.47%) is unrestricted.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 26,335,317	\$ 9,504,805	\$ 258,684	\$ 508,293	\$ 26,594,001	\$ 10,013,098
Capital assets	26,236,810	23,115,411	894,306	804,090	27,131,116	23,919,501
Total assets	52,572,127	32,620,216	1,152,990	1,312,383	53,725,117	33,932,599
Total deferred outflows of resources	3,494,624	3,048,475	102,477	73,900	3,597,101	3,122,375
Long-term liabilities outstanding	27,276,955	13,641,670	389,994	342,999	27,666,949	13,984,669
Other liabilities	3,528,126	2,167,008	89,276	80,442	3,617,402	2,247,450
Total liabilities	30,805,080	15,808,677	479,270	423,441	31,284,350	16,232,118
Total deferred inflows of resources	373,202	339,758	13,614	13,678	386,816	353,436
Net position:						
Net investment in capital assets	20,573,350	16,465,673	894,306	804,090	21,467,656	17,269,763
Restricted	17,899,559	3,745,307	-	-	17,899,559	3,745,307
Unrestricted	(13,584,440)	(690,724)	(131,723)	145,074	(13,716,163)	(545,650)
Total net position	\$ 24,888,469	\$ 19,520,256	\$ 762,583	\$ 949,164	\$ 25,651,052	\$ 20,469,420

Caswell County, along with many other counties in North Carolina, funds school facilities that become assets of the school district and community college facilities that become assets of the school district and community college facilities that become property of the community college, through the issuance of debt. General Obligation Bonds have been issued by the County to fund the majority of the costs of these assets. The County's liabilities at June 30, 2020 include outstanding general obligation debt of \$201,769 related to funding these non-county assets. This represents 100% of the County's outstanding General obligation debt. Because the County does not retain the related assets, this debt liability (less any unspent proceeds) reduces the County's net position and presents a less favorable picture as compared to governments that do not extensively fund the capital of other government entities.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of above 98%
- Continued use of Debt Setoff Clearinghouse for certain debt collections
- Improved collections of emergency medical services debt using an outside billing agency
- Continued use of revenue from inmate housing
- Continued improvements to the County's Industrial Park and Small Business prospects

**Caswell County's Changes in Net Position
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,481,761	\$ 4,124,927	\$ 1,288,151	\$ 1,110,958	\$ 4,769,912	\$ 5,235,885
Operating grants and contributions	7,072,357	5,641,680	84,869	-	7,157,226	5,641,680
Capital grants and contributions	3,638,705	808,381	-	-	3,638,705	808,381
General revenues:						
Property taxes	13,491,808	13,000,897	-	-	13,491,808	13,000,897
Sales taxes	5,111,550	4,749,935	-	-	5,111,550	4,749,935
Other taxes	-	-	52,596	56,856	52,596	56,856
Other	202,121	190,146	2,127	5,452	204,248	195,598
Total revenues	32,998,302	28,515,966	1,427,743	1,173,266	34,426,045	29,689,232
Expenses:						
General government	3,482,465	3,309,482	-	-	3,482,465	3,309,482
Public safety	9,355,795	8,630,706	-	-	9,355,795	8,630,706
Environmental protection	114,611	107,276	-	-	114,611	107,276
Economic and physical development	1,285,795	850,594	-	-	1,285,795	850,594
Human services	9,025,668	8,454,483	-	-	9,025,668	8,454,483
Cultural and recreation	852,513	902,390	-	-	852,513	902,390
Education	3,323,258	3,545,488	-	-	3,323,258	3,545,488
Interest on long-term debt	179,096	209,048	-	-	179,096	209,048
Solid waste	-	-	1,262,046	1,080,134	1,262,046	1,080,134
Transportation	-	-	507,278	492,146	507,278	492,146
Total expenses	27,619,201	26,009,467	1,769,324	1,572,280	29,388,525	27,581,747
Increase in net position before transfers and special items	5,379,101	2,506,499	(341,581)	(399,014)	5,037,520	2,107,485
Transfers and special items	(155,000)	-	155,000	-	-	-
Increase in net position after transfers and special items	5,224,101	2,506,499	(186,581)	(399,014)	5,037,520	2,107,485
Net position, beginning	19,520,256	17,013,757	949,164	1,348,178	20,469,420	18,361,935
Net position, beginning, restated	19,664,368	17,013,757	949,164	1,348,178	20,613,532	18,361,935
Net position, ending	\$ 24,888,469	\$ 19,520,256	\$ 762,583	\$ 949,164	\$ 25,651,052	\$ 20,469,420

Governmental activities. Governmental activities increased the County's net position by \$5,224,101. Key elements of this increase are:

- Increase in property tax collections.
- Increase in grants to fund projects.

Business-type activities. Business-type activities decreased Caswell County's net position by \$186,581. Key elements of this decrease is primarily due to an increase in expenditures for both the Solid Waste and Transportation funds.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Caswell County. At the end of the current fiscal year, Caswell County's fund balance available in the General Fund was \$7,389,151, while total fund balance reached \$9,879,513. The Governing Body of Caswell County has determined that the county should maintain an available fund balance of 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The county currently has an available fund balance of 25.97%, while total fund balance represents 34.73% of that same amount. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.51% of total General Fund expenditures, while total fund balance represents 34.73% of the same amount of expenditures. Fund balance for the General Fund increased \$1,384,829 over the prior year. Expenditures (including transfers) increased over the previous year by \$1,805,666. Several factors contributing to the increase includes an increase in capital spending.

Revenues increased \$1,267,442 primarily due to an increase in ad valorem taxes, local option sales tax, and capital grants and contributions.

At June 30, 2020, the governmental funds of Caswell County reported a combined fund balance of \$23,820,665, a 177.10% percent increase over the previous year. The primary reasons for this increase were a result of the County issuing a General Obligation Bond Anticipation note for school construction projects that was unspent at year end.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the total budget by 9.39% or \$2,728,943. The largest changes involved human services and public safety.

Proprietary Funds. Caswell County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Management and Transportation Funds at the end of the fiscal year totaled \$131,7234. The total net position for the funds decreased \$186,581. Other factors concerning the finances of these two funds have already been addressed in the discussion of Caswell County's Business-Type activities.

Capital Asset and Debt Administration

Capital Assets. Caswell County's capital assets for its governmental and business-type activities as of June 30, 2020, totals \$27,575,844 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include purchases of voting machines, computer equipment, HVAC and roof replacements, EMS equipment upgrades, software conversion project, and school construction.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
Construction in Progress	6,437,098	2,991,121	-	-	6,437,098	2,991,121
Buildings	13,147,313	13,839,383	17,751	9,269	13,165,064	13,848,652
Improvements	980,720	924,963	218,509	197,329	1,199,229	1,122,292
Equipment	870,361	554,417	100,088	85,698	970,449	640,115
Vehicles	971,697	838,174	520,458	474,294	1,492,155	1,312,468
Audiovisuals	10,749	11,786	-	-	10,749	11,786
Other Assets	2,894,277	3,030,661	-	-	2,894,277	3,030,661
Infrastructure	8,725	9,036	-	-	8,725	9,036
Total	<u>\$ 26,236,810</u>	<u>\$ 23,115,411</u>	<u>\$ 894,306</u>	<u>\$ 804,090</u>	<u>\$ 27,131,116</u>	<u>\$ 23,919,501</u>

Additional information on the County's capital assets can be found in notes to the Financial Statements starting on page 37..

Long-term Debt. As of June 30, 2020, Caswell County had total bonded debt outstanding of \$4,465,000, the majority of which is backed by the full faith and credit of the County. The County also had a General Obligation bond anticipation note in the amount of \$13,150,000.

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

	Governmental Activities	
	2020	2019
Bonds	\$ 4,465,000	\$ 5,331,000
Plus: Premiums on Issuance	1,769	3,539
Total Bonds	<u>4,466,769</u>	<u>5,334,539</u>
Bond Anticipation Note	13,150,000	-
Installment Purchases	<u>1,391,014</u>	<u>1,714,771</u>
Total	<u><u>\$ 19,007,783</u></u>	<u><u>\$ 7,049,310</u></u>

Caswell County's total debt increased by \$11,958,473 (169.64 percent) during the past fiscal year, primarily due to the issuance of General Obligation Bond Anticipation Notes.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Caswell County is \$115,836,429. The County's current general obligation debt represents approximately 0.27% of total assessed value of taxable property.

Additional information regarding Caswell County's long-term debt can be found in the notes to the financial statements starting on page 55.

Economic Factors and Next Year's Budgets and Rates

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

- The County's Ad Valorem tax rate was adopted at \$0.7350 per \$100 valuation. A Fire Service District has been established with a tax rate of \$0.0369 per \$100 valuation, the same as Casville Special Fire District.
- The Solid Waste Management fee remained the same at \$59 per household.
- Funds from the County's Occupancy Tax levy will be used to promote travel and tourism.
- The budget included salary adjustments including a 2.0% COLA for full, permanent, part time and temporary positions.

Budget Highlights for Fiscal Year Ending June 30, 2021

Government Activities

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

Business Type Activities

Solid Waste Management fund continued the annual rate of \$59 per household. The Solid Waste Fund will be used for upgrades/improvements to Convenience Centers. Transportation rates and services are expected to remain the same. Revenues are projected to continue to grow at a slow pace for the business-type activities.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Caswell County, North Carolina
Statement of Net Position
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
ASSETS				
Cash and cash investments	\$ 7,071,042	\$ 318,160	\$ 7,389,202	\$ 388,904
Restricted cash and cash equivalents	15,751,638	-	15,751,638	-
Taxes receivable (net)	246,514	38,241	284,755	-
Accrued interest receivable on taxes	8,747	-	8,747	-
Accounts receivables (net)	2,871,289	67,543	2,938,832	-
Notes receivable	124,078	-	124,078	-
Internal Balances	165,260	(165,260)	-	-
Prepaid items	67,924	-	67,924	15,033
Inventories	-	-	-	153,525
Net Pension Asset	28,825	-	28,825	-
Capital assets:				
Land, improvements, and construction in progress	7,352,968	37,500	7,390,468	6,000
Other capital assets, net of depreciation	18,883,842	856,806	19,740,648	106,425
Total capital assets	26,236,810	894,306	27,131,116	112,425
Total assets	\$ 52,572,127	\$ 1,152,990	\$ 53,725,117	\$ 669,887
DEFERRED OUTFLOWS OF RESOURCES	\$ 3,494,624	\$ 102,477	\$ 3,597,101	\$ 30,313
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,811,015	\$ 82,642	\$ 1,893,657	\$ 95,783
Unspent CARES Act Funding	376,237	-	376,237	-
Accrued interest payable	69,790	-	69,790	-
Long-term liabilities:				
Due within one year				
Bonds	857,769	-	857,769	-
Installment obligations	203,352	-	203,352	-
Compensated absences	209,963	6,634	216,597	-
Due in more than one year				
Bonds	16,759,000	-	16,759,000	-
Installment obligations	1,187,662	-	1,187,662	-
Compensated absences	629,888	19,902	649,790	-
Accrued postclosure liability	-	44,564	44,564	-
Net Pension Liability (LGERS)	3,692,578	99,580	3,792,158	48,063
Total Pension Liability (LEOSSA)	1,231,952	-	1,231,952	-
Net OPEB Liability	3,775,875	225,948	4,001,823	-
Total long-term liabilities	28,548,038	396,628	28,944,666	48,063
Total liabilities	\$ 30,805,080	\$ 479,270	\$ 31,284,350	\$ 143,846
DEFERRED INFLOWS OF RESOURCES	\$ 373,202	\$ 13,614	\$ 386,816	\$ -
NET POSITION				
Net investment in capital assets	\$ 20,573,350	\$ 894,306	\$ 21,467,656	\$ 112,425
Restricted for:				
Register of deeds	61,685	-	61,685	-
Stabilization by state statute	3,581,322	-	3,581,322	-
General Government	228,949	-	228,949	-
Public Safety	292,523	-	292,523	-
Economic Development	163,976	-	163,976	-
Education	13,571,104	-	13,571,104	-
Working Capital	-	-	-	76,843
Unrestricted (deficit)	(13,584,440)	(131,723)	(13,716,163)	367,086
Total net position	\$ 24,888,469	\$ 762,583	\$ 25,651,052	\$ 556,354

Caswell County, North Carolina
Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Caswell County ABC Board
Primary government:								
Governmental Activities:								
General government	\$ 3,482,465	\$ 346,089	\$ 13,677	\$ -	\$ (3,122,699)	\$ -	\$ (3,122,699)	
Public safety	9,355,795	1,589,795	1,414,820	-	(6,351,180)	-	(6,351,180)	
Transportation	-	-	144,168	-	144,168	-	144,168	
Environmental protection	114,611	-	25,163	-	(89,448)	-	(89,448)	
Economic and physical development	1,285,795	11,550	423,703	-	(850,542)	-	(850,542)	
Human services	9,025,668	1,494,356	4,908,055	-	(2,623,257)	-	(2,623,257)	
Cultural and recreation	852,513	39,971	142,771	34,827	(634,944)	-	(634,944)	
Education	3,323,258	-	-	3,603,878	280,620	-	280,620	
Interest on long-term debt	179,096	-	-	-	(179,096)	-	(179,096)	
Total governmental activities	27,619,201	3,481,761	7,072,357	3,638,705	(13,426,378)	-	(13,426,378)	
Business-type activities:								
Solid Waste	1,262,046	777,202	30,273	-	-	(454,571)	(454,571)	
Caswell division of transportation	507,278	510,949	54,596	-	-	58,267	58,267	
Total business-type activities	1,769,324	1,288,151	84,869	-	-	(396,304)	(396,304)	
Total primary government	\$ 29,388,525	\$ 4,769,912	\$ 7,157,226	\$ 3,638,705	(13,426,378)	(396,304)	(13,822,682)	
Component Units:								
Caswell County ABC Board	\$ 1,964,323	\$ 1,997,915	\$ -	\$ -				\$ 33,592
Total component units	\$ 1,964,323	\$ 1,997,915	\$ -	\$ -				33,592
General revenues:								
Taxes:								
Property taxes, levied for general purpose					13,491,808	-	13,491,808	-
Local option sales tax					4,585,588	-	4,585,588	-
Other taxes and licenses					525,962	52,596	578,558	-
Investment earnings, unrestricted					88,412	2,127	90,539	265
Miscellaneous, unrestricted					113,709	-	113,709	-
Transfers					(155,000)	155,000	-	-
Total general revenues, special items, and transfers					18,650,479	209,723	18,860,202	265
Change in net position					5,224,101	(186,581)	5,037,520	33,857
Net position-beginning					19,520,256	949,164	20,469,420	522,497
Prior Period Adjustment					144,112	-	144,112	-
Net position-beginning, restated					19,664,368	949,164	20,613,532	522,497
Net position-ending					\$ 24,888,469	\$ 762,583	\$ 25,651,052	\$ 556,354

FUND
FINANCIAL STATEMENTS

Caswell County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2020

	Major Governmental		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	School Capital Project Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 6,468,345	\$ -	\$ 602,697	\$ 7,071,042
Cash and cash equivalents-Restricted	1,830,841	13,920,797	-	15,751,638
Taxes Receivable	180,645	-	65,869	246,514
Accounts Receivable	1,638,141	1,128,750	104,398	2,871,289
Notes Receivable	-	-	124,078	124,078
Due from other funds	735,737	-	-	735,737
Prepaid Items	67,924	-	-	67,924
Total assets	<u>\$ 10,921,633</u>	<u>\$ 15,049,547</u>	<u>\$ 897,042</u>	<u>\$ 26,868,222</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 441,924	\$ 1,267,146	\$ 101,945	\$ 1,811,015
Due to other funds	-	504,922	65,555	570,477
Unspent CARES Act Funding	376,237	-	-	376,237
Total liabilities	<u>818,161</u>	<u>1,772,068</u>	<u>167,500</u>	<u>2,757,729</u>
Deferred inflows of resources				
Prepaid taxes	43,314	-	-	43,314
Reserve for taxes receivable	180,645	-	65,869	246,514
Total deferred inflows of resources	<u>223,959</u>	<u>-</u>	<u>65,869</u>	<u>289,828</u>
Fund balances:				
Nonspendable:				
Prepaid items	67,924	-	-	67,924
Restricted:				
Stabilization by State statute	2,422,438	1,128,750	30,134	3,581,322
Register of Deeds	61,685	-	-	61,685
Education	1,422,375	12,148,729	-	13,571,104
General Government	-	-	228,949	228,949
Public Safety	-	-	292,523	292,523
Economic Development	-	-	163,976	163,976
Committed:				
Tax Revaluation	190,458	-	-	190,458
LEO Separation	33,836	-	-	33,836
Assigned:				
Subsequent year's expenditures	1,838,639	-	-	1,838,639
Unassigned:	3,842,158	-	(51,909)	3,790,249
Total fund balances	<u>9,879,513</u>	<u>13,277,479</u>	<u>663,673</u>	<u>23,820,665</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,921,633</u>	<u>\$ 15,049,547</u>	<u>\$ 897,042</u>	<u>\$ 26,868,222</u>

Caswell County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2020

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

Total Fund Balance - Governmental Funds	\$ 23,820,665
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	45,411,034
Less accumulated depreciation	(19,174,224)
Net capital assets	26,236,810
Net Pension Asset (Register of Deeds)	28,825
Deferred outflows of resources:	
Pension related deferrals	
LGERS	1,423,799
Register of Deeds	3,642
LEOSSA	356,745
OPEB related deferrals	682,839
Contributions to the pension plan in the current fiscal year (LGERS & ROD)	862,371
Benefit payments and pension administration costs for LEOSSA	43,368
Contributions to OPEB plan in the current fiscal year	117,841
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	8,747
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	4,019
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	246,514
Pension related deferrals	
LGERS	(125,893)
Register of Deeds	(5,108)
LEOSSA	(28,120)
OPEB related deferrals	(170,767)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(19,007,783)
Compensated absences	(839,850)
Net OPEB liability	(3,775,875)
Net pension liability - LGERS	(3,692,578)
Total Pension Liability (LEOSSA)	(1,231,952)
Accrued interest payable	(69,790)
Total adjustment	1,067,804
Net position of governmental activities	\$ 24,888,469

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	Major Governmental		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	School Capital Project Fund	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 12,618,569	\$ -	\$ 904,819	\$ 13,523,388
Other taxes and licenses	4,081,525	-	3,732	4,085,257
Restricted intergovernmental	7,657,925	2,728,750	1,160,686	11,547,361
Unrestricted intergovernmental	201,657	-	-	201,657
Permits and fees	873,742	-	-	873,742
Sales and services	2,133,779	-	-	2,133,779
Investment earnings	86,505	637	1,270	88,412
Contributions	-	-	456,352	456,352
Miscellaneous	119,936	-	-	119,936
Total revenues	<u>27,773,638</u>	<u>2,729,387</u>	<u>2,526,859</u>	<u>33,029,884</u>
EXPENDITURES				
Current:				
General government	3,501,661	-	160,055	3,661,716
Public safety	7,540,235	-	1,019,032	8,559,267
Cultural and recreational	684,761	-	98,141	782,902
Environmental protection	108,546	-	-	108,546
Economic and physical development	576,438	-	585,873	1,162,311
Human Services	8,638,062	-	-	8,638,062
Intergovernmental:				
Education	3,511,195	2,547,615	452,228	6,511,038
Debt service:				
Principal	1,189,757	-	-	1,189,757
Interest	186,942	-	-	186,942
Total expenditures	<u>25,937,597</u>	<u>2,547,615</u>	<u>2,315,329</u>	<u>30,800,541</u>
Revenues over expenditures	<u>1,836,041</u>	<u>181,772</u>	<u>211,530</u>	<u>2,229,343</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,059,123	-	733,079	2,792,202
Transfers (out)	(2,510,335)	-	(436,867)	(2,947,202)
Issuance of Debt	-	13,150,000	-	13,150,000
Total other financing sources and uses	<u>(451,212)</u>	<u>13,150,000</u>	<u>296,212</u>	<u>12,995,000</u>
Net change in fund balance	1,384,829	13,331,772	507,742	15,224,343
Fund balances-beginning	8,494,684	(54,293)	11,819	8,452,210
Prior Period Adjustment	-	-	144,112	144,112
Fund balances-ending	<u>\$ 9,879,513</u>	<u>\$ 13,277,479</u>	<u>\$ 663,673</u>	<u>\$ 23,820,665</u>

Caswell County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures,
And Changes In Fund Balance of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds	\$ 15,224,343
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	4,275,821
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,154,422)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(13,150,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	1,189,757
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	1,770
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	862,371
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	43,368
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	117,841
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	10,095
Compensated absences	(96,092)
OPEB plan expense	(275,310)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(4,019)
Pension expense	(1,789,842)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(18,603)
Increase in accrued interest receivable at end of year	(12,977)
Total changes in net position of governmental activities	<u>\$ 5,224,101</u>

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 12,548,042	\$ 12,573,042	\$ 12,618,569	\$ 45,527
Other taxes and licenses	3,739,308	3,733,308	4,081,525	348,217
Restricted intergovernmental	5,957,945	9,285,430	7,657,925	(1,627,505)
Unrestricted intergovernmental	183,298	191,298	201,657	10,359
Permits and fees	1,299,641	866,123	873,742	7,619
Sales and services	2,629,796	2,136,574	2,133,779	(2,795)
Investment earnings	500	66,700	75,334	8,634
Miscellaneous	89,986	88,217	119,936	31,719
Total revenues	<u>26,448,516</u>	<u>28,940,692</u>	<u>27,762,467</u>	<u>(1,178,225)</u>
Expenditures				
Current:				
General government	4,579,295	4,022,293	3,501,661	520,632
Public safety	7,455,557	8,640,591	7,540,235	1,100,356
Environmental Protection	115,860	117,777	108,546	9,231
Economic and physical development	551,539	826,396	576,438	249,958
Human services	9,337,245	10,626,046	8,638,062	1,987,984
Cultural and recreational	682,533	975,996	684,761	291,235
Intergovernmental:				
Education	3,561,195	3,561,195	3,511,195	50,000
Debt service	1,481,415	1,376,709	1,376,699	10
Total expenditures	<u>27,764,639</u>	<u>30,147,003</u>	<u>25,937,597</u>	<u>4,209,406</u>
Revenues over (under) expenditures	<u>(1,316,123)</u>	<u>(1,206,311)</u>	<u>1,824,870</u>	<u>3,031,181</u>
Other financing sources (uses):				
Appropriated fund balance	2,156,663	2,156,663	-	(2,156,663)
Transfers from other funds	465,000	701,767	701,767	-
Transfers to other funds	(1,305,540)	(1,652,119)	(1,822,535)	(170,416)
Total other financing sources (uses)	<u>1,316,123</u>	<u>1,206,311</u>	<u>(1,120,768)</u>	<u>(2,327,079)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>704,102</u>	<u>\$ 704,102</u>
Fund balances:				
Beginning of year, July 1			<u>7,139,676</u>	
End of year, June 30			<u>\$ 7,843,778</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			735	
Revaluation Expense			-	
Transfer from General Fund			30,000	
Fund balance, beginning of year			<u>159,723</u>	
School Capital Reserve Fund				
Investment Earnings			10,436	
Transfers-in from Other Funds			1,327,354	
Transfers-out to General Fund			(687,800)	
Fund Balance, Beginning			<u>1,195,285</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 9,879,511</u>	

Caswell County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2020

	MAJOR		
	Solid Waste Management	Caswell Department of Transportation	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 318,160	\$ 318,160
Taxes receivable (net)	38,241	-	38,241
Accounts receivable (net)	12,947	54,596	67,543
Total current assets	51,188	372,756	423,944
Noncurrent assets:			
Capital assets:			
Land, improvements and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	347,374	509,432	856,806
Total capital assets	384,874	509,432	894,306
Total noncurrent assets	384,874	509,432	894,306
Total assets	436,062	882,188	1,318,250
DEFERRED OUTFLOWS OF RESOURCES	45,178	57,299	102,477
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities:			
Accounts Payable	81,238	1,404	82,642
Compensated absences payable	3,348	3,287	6,634
Due from other funds	165,260	-	165,260
Total current liabilities	249,846	4,691	254,536
Noncurrent liabilities:			
Compensated absences	10,043	9,860	19,902
Other postemployment benefits	125,897	100,051	225,948
Net pension liability	36,217	63,363	99,580
Accrued postclosure liability	44,564	-	44,564
Total noncurrent liabilities	216,721	173,274	389,994
Total liabilities	466,566	177,964	644,530
DEFERRED INFLOWS OF RESOURCES	6,929	6,685	13,614
NET POSITION			
Net investment in capital assets	384,874	509,432	894,306
Unrestricted	(377,129)	245,406	(131,723)
Total net position	\$ 7,745	\$ 754,838	\$ 762,583

Caswell County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2020

	MAJOR		
	Solid Waste	Caswell Department of Transportation	Totals
Operating Revenues:			
Charges for Services	\$ 777,202	\$ 491,353	\$ 1,268,555
Total Operating Revenues	<u>777,202</u>	<u>491,353</u>	<u>1,268,555</u>
Operating Expenses:			
Administration			
Salaries	-	101,098	101,098
Other expenses	-	71,757	71,757
Operations:			
Salaries	153,016	183,562	336,578
Other Expenses	1,069,057	62,384	1,131,441
Depreciation	39,973	88,477	128,450
Total Expenditures	<u>1,262,046</u>	<u>507,278</u>	<u>1,769,324</u>
Operating income (loss)	<u>(484,844)</u>	<u>(15,925)</u>	<u>(500,769)</u>
Nonoperating Revenues (Expenses)			
Interest Earned on Investments	1,270	857	2,127
Disposal Tax	52,596	-	52,596
FEMA Reimbursement	30,273	-	30,273
CARES Act Funding	-	54,596	54,596
Miscellaneous Revenue	-	-	-
Total Nonoperating Revenues	<u>84,139</u>	<u>55,453</u>	<u>139,592</u>
Income (loss) before transfers			
Transfers in	155,000	-	155,000
Gain (Loss) on disposal of assets	<u>-</u>	<u>19,596</u>	<u>19,596</u>
CHANGE IN NET POSITION	(245,705)	59,124	(186,581)
TOTAL NET POSITION BEGINNING	<u>253,450</u>	<u>695,714</u>	<u>949,164</u>
TOTAL NET POSITION- ENDING	<u>\$ 7,745</u>	<u>\$ 754,838</u>	<u>\$ 762,583</u>

Caswell County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2020

	MAJOR		
	Solid Waste	Caswell Department of Transportation	Totals June 30, 2020
Cash flows from operating activities:			
Cash received from customers	\$ 785,029	\$ 443,120	\$ 1,228,149
Cash paid for goods and services	(1,068,100)	(140,287)	(1,208,387)
Cash paid to employees for services	(137,471)	(267,828)	(405,299)
Miscellaneous Revenue	-	-	-
Net cash provided (used) by operating activities	(420,542)	35,005	(385,537)
Cash flows from noncapital financing activities			
Disposal tax	52,596	-	52,596
(Increase) decrease in due from other funds	165,260	-	165,260
Grants	30,273	54,596	84,869
Transfers in (out)	155,000	-	155,000
Net cash provided (used) by noncapital financial activities	403,129	54,596	457,725
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(67,362)	(151,305)	(218,667)
Proceeds from sale of property and equipment	-	19,596	19,596
Net cash provided (used) by capital and related financing activities	(67,362)	(131,709)	(199,071)
Cash flows from investing activities:			
Interest on investments	1,270	857	2,127
Net cash flows from investing activities	1,270	857	2,127
Net increase (decrease) in cash and cash equivalents	(83,505)	(41,251)	(124,756)
Cash and cash equivalents, July 1	83,505	359,411	442,916
Cash and cash equivalents, June 30	\$ -	\$ 318,160	\$ 318,160

(continued)

Caswell County, North Carolina
Proprietary Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2020

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

Operating income (loss)	\$ <u>(484,844)</u>	\$ <u>(15,925)</u>	\$ <u>(500,769)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	39,973	88,477	128,450
Miscellaneous Revenue	-	-	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	7,827	(48,233)	(40,406)
(Increase) decrease in deferred outflows of resources for pensions	3,919	6,858	10,777
(Increase) decrease in deferred outflows of resources for OPEB	(21,928)	(17,426)	(39,354)
Increase (decrease) in accounts payable and accrued liabilities	14,296	(6,146)	8,150
Increase (decrease) in deferred inflows of resources for pensions	672	1,175	1,847
Increase (decrease) in deferred inflows of resources for OPEB	(1,065)	(846)	(1,911)
Increase (decrease) in net pension liability	3,221	5,636	8,857
Increase (decrease) in accrued postclosure liability	(13,339)	-	(13,339)
Increase (decrease) in compensated absences	3,186	(451)	2,735
Increase (decrease) in net OPEB liability	27,540	21,886	49,426
Total adjustments	<u>64,302</u>	<u>50,930</u>	<u>115,232</u>
Net cash provided (used) by operating activities	\$ <u><u>(420,542)</u></u>	\$ <u><u>35,005</u></u>	\$ <u><u>(385,537)</u></u>

Caswell County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	Agency Funds
ASSETS	
Cash and investments	\$ 39,247
Accounts Receivable	3,592
Total Assets	<u>\$ 42,839</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous Liabilities	\$ 42,839
Total liabilities	<u>42,839</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Position	<u>\$ 42,839</u>

NOTES TO THE
FINANCIAL STATEMENTS

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Unit

Caswell County ABC Board

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

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

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

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

The County reports the following major governmental funds:

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

School Capital Project Fund. This capital project fund is used to account for funds set aside for school projects.

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

Non-major Funds. The County maintains ten legally budgeted nonmajor funds. The Special Fire District, Emergency Telephone System, Revolving Loan Fund, and Equipment and Automation are reported as non-major special revenue funds. The Special Grant Fund, Scattered Site, Library Development, Courthouse HVAC, School Safety Project, and Financial Software Project Fund are reported as nonmajor capital project funds.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund (which includes the Revaluation Fund and School Capital Reserve Fund), the Special Revenue Funds (the Special Fire Districts Fund, the Emergency Telephone System Fund, the School Capital Reserve Fund, the Revolving Loan Fund, and the Equipment and Automation Fund), and the two Enterprise Funds (the Solid Waste Fund and the Caswell Division of Transportation Fund). All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds (Special Grant, Scattered Site Fund, School Capital Projects Fund, the Library Development Fund, Courthouse HVAC Project, School Safety Project, and Financial Software Project).

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

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

1. Deposits and Investments

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Deposits and Investments (Continued)

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

The County's and the ABC Board's investments are carried at fair value. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The NCCMT Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with a maturity date of 90 days or less at time of purchase, to be cash and cash equivalents.

3. Restricted Assets

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

Caswell County Restricted Cash			
<u>Governmental Activities</u>			
General Fund	Tax Revaluation	\$	190,458
General Fund	Register of Deeds		61,685
General Fund	Unexpended School Restricted Capital		1,578,698
School Capital Project Fund	Unexpended Project Funds		13,920,797
Total Restricted Cash		\$	<u>15,751,638</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

5. Allowance for Doubtful Accounts

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

6. Inventory

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

7. Capital Assets

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

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

8. Deferred Outflows/Inflows of resources

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

9. Long-Term Obligations

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

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

10 Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund and the ABC Board. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2020 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and there is no current portion. A current portion has been estimated.

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

11 Net Position/Fund Balances

Net Position

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid - portion of fund balance that is not an available resource because it represents prepaid expenditures, which are not spendable resources.

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids, as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

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

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

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Fund Balances (Continued)

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

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

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

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

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

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

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Defined Benefit Pension and OPEB Plans

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The following funds had a deficit fund balance as follows:

	<u>Amount</u>
Scattered Grants Fund	\$ 1,367
Library Development Fund	38,885
Special Grant Fund	11,657

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

Transfers

Transfers were made from the General Fund (Special Grants) to the Solid Waste Fund to transfer COVID funds to cover allowable expenses paid out of the Solid Waste fund. However, a budget amendment was not posted to reflect this transfer. The amounts were approved as part of the overall COVID fund budget, so the funds were budgeted in total, but the budget presentation did reflect a specific line for the transfer to the Solid Waste fund.

Timeliness of Audit

The audit was completed 5 months after the original due date of January 31, 2021. The County experienced significant turnover in staff, which resulted in a delay in receiving information to complete the audit. The County also did not request their OPEB actuarial report until June 2021.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Deposits (continued)

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

At June 30, 2020 the County's deposits had a carrying amount of \$14,434,157 and a bank balance of \$14,799,241. Of the bank balance, \$500,000 was covered by federal depository insurance; and \$14,299,241 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2020, the carrying amount of deposits for the ABC Board's deposits was \$383,629 and a bank balance of \$400,725. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2020, the ABC Board had \$ 5,275 in petty cash and change funds.

2 Investments

At June 30, 2020, the County had the following investments and maturities.

Investment Type	Valuation Measurement	Fair Value	Less Than 6	6 - 12	1 - 3 Years
	Method		Months	Months	
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 8,745,930	\$ 8,745,930	\$ -	\$ -

** Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generate by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable quoted prices (unadjusted) in active markets for identical assets.

The County does not have a formal investment policy.

3 Property Tax - Use-Value Assessment on Certain Lands

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

Year			
Levied	Tax	Interest	Total
2017	\$ 1,454,094	\$ 386,531	\$ 1,840,625
2018	1,629,997	433,290	2,063,287
2019	1,571,767	417,811	1,989,578
2020	1,657,048	-	1,657,048
Total	\$ 6,312,906	\$ 1,237,632	\$ 7,550,538

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
Governmental Activities:					
General	\$ 1,775,851	\$ 601,392	\$ -	\$ 1,068,065	\$ 3,445,308
Other Governmental	104,398	65,869	-	-	170,267
Total Receivables	1,880,249	667,261	-	1,068,065	3,615,575
Allowance for Doubtful Accts.	(1,205,775)	(412,000)	-	-	(1,617,775)
Total Gov't Activities	\$ 674,474	\$ 1,079,261	\$ -	\$ 1,068,065	\$ 1,997,800
Business-type Activities:					
Solid Waste	\$ 12,947	\$ 58,541	\$ -	\$ -	\$ 71,488
CDOT	54,596	-	-	-	54,596
Total Receivables	67,543	58,541	-	-	126,084
Allowance for Doubtful Accts.	-	(20,300)	-	-	(20,300)
Total Business-type	\$ 67,543	\$ 38,241	\$ -	\$ -	\$ 105,784

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

Governmental Activities:	
Sales and Use Tax	\$ 146,656
Local Option Sales Tax	784,401
NCVTS - Motor Vehicle Tax	115,808
Other Governments	21,200
Total	\$ 1,068,065

Notes Receivable

In the Revolving Loan fund, the County had two outstanding loans as of year end. Payments were not being made per the amortization schedules in the agreement. At June 30, 2020, those balances totaled \$124,078.

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2020, was as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in Progress	2,991,121	3,445,977	-	-	6,437,098
Total capital assets not being depreciated	3,906,991	3,445,977	-	-	7,352,968
Capital assets being depreciated:					
Building	21,969,268	34,583	-	-	22,003,851
Improvements	2,645,092	112,536	-	-	2,757,628
Equipment	4,005,232	326,440	-	-	4,331,672
Vehicles	2,725,717	356,285	-	-	3,082,002
Audio Visual	62,902	-	-	-	62,902
Other Assets	5,802,734	-	-	-	5,802,734
Infrastructure	17,277	-	-	-	17,277
Total capital assets being depreciated:	37,228,222	829,844	-	-	38,058,066
Less accumulated depreciation for:					
Building	8,129,885	726,653	-	-	8,856,538
Improvements	1,720,129	56,779	-	-	1,776,908
Equipment	3,450,815	10,496	-	-	3,461,311
Vehicles	1,887,543	222,762	-	-	2,110,305
Audio Visual	51,116	1,037	-	-	52,153
Other Assets	2,772,073	136,384	-	-	2,908,457
Infrastructure	8,241	311	-	-	8,552
Total accumulated depreciation:	18,019,802	\$ 1,154,422	\$ -	\$ -	19,174,224
Total capital assets being depreciated, net	19,208,420				18,883,842
Governmental activity capital assets, net	<u>\$ 23,115,411</u>				<u>\$ 26,236,810</u>

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

General Government	\$ 229,462
Public Safety	656,772
Economic and Physical Development	66,771
Human Services	36,611
Cultural and Recreational	164,806
Total Depreciation Expense	<u>\$ 1,154,422</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Capital Assets (Continued)

Business-type activities:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Solid Waste					
Capital assets not being depreciated:					
Land	\$ 37,500	\$ -	\$ -	\$ -	\$ 37,500
Total capital assets not being depreciated:	37,500	-	-	-	37,500
Capital assets being depreciated:					
Buildings	27,102	9,239	-	-	36,341
Land Improvements	120,417	28,980	-	-	149,397
General Equipment	394,981	29,143	-	-	424,124
Vehicles	298,235	-	-	-	298,235
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated :	1,244,410	67,362	-	-	1,311,772
Less accumulated depreciation for:					
Buildings	17,833	757	-	-	18,590
Land Improvements	120,417	322	-	-	120,739
General Equipment	309,283	14,753	-	-	324,036
Vehicles	73,216	24,142	-	-	97,358
Other Assets	403,675	-	-	-	403,675
Total accumulated depreciation:	924,424	\$ 39,974	\$ -	\$ -	964,398
Total capital assets being depreciated, net	319,986				347,374
Solid Waste capital assets, net	\$ 357,486				\$ 384,874
Caswell Department of Transportation					
Capital assets being depreciated:					
Building Improvements	\$ 231,507	\$ -	\$ -	\$ -	\$ 231,507
Land improvements	16,900		-	-	16,900
Computer Equipment	10,190		-	-	10,190
Vehicles	622,837	151,305	-	-	774,142
Total capital assets not being depreciated:	881,434	151,305	-	-	1,032,739
Less accumulated depreciation for:					
Building Improvements	40,515	5,788	-	-	46,303
Land Improvements	10,563	1,690	-	-	12,253
Computer Equipment	10,190		-	-	10,190
Vehicles	373,562	80,999	-	-	454,561
Total accumulated depreciation	434,830	88,477	-	-	523,307
Total capital assets being depreciated :	446,604	\$ 62,828	\$ -	\$ -	509,432
Caswell Dept. of Transportation capital assets, net	446,604				509,432
Business-type activities capital assets, net	\$ 804,090				\$ 894,306

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Capital Assets (Continued)

Caswell County ABC Board	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated :					
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Total capital assets not being depreciated	6,000	-	-	-	6,000
Capital assets being depreciated					
Buildings	199,684	-	-	-	199,684
Warehouse equipment	2,326	-	-	-	2,326
Vehicles	39,519	-	-	-	39,519
Office furniture and equipment	31,236	-	-	-	31,236
Store Fixtures and equipment	128,006	4,666	-	-	132,672
Leasehold improvements	32,952	-	-	-	32,952
Total capital assets being depreciated	433,723	4,666	-	-	438,389
Less accumulated depreciation for:					
Assets being depreciated	306,641	25,323	-	-	331,964
Total accumulated depreciation	306,641	\$ 25,323	\$ -	\$ -	331,964
Total capital assets being depreciated ,net	127,082				106,425
ABC Board capital assets-net	\$ 133,082				\$ 112,425

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows :

	Vendors
Governmental Activities:	
General	\$ 441,924
Library Development Fund	1,267,146
Other Governmental	101,945
Total Governmental Activities	\$ 1,811,015
Business-type Activities:	
Solid Waste	\$ 81,238
CDOT	1,404
Total Business-type Activities	\$ 82,642

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers, 9.02% for general employees and firefighters, and 9.04% for DSS employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$884,225 for the year ended June 30, 2020.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

At June 30, 2020, the County reported a liability of \$3,792,158 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.1389% (measured as of June 30, 2019), which was a decrease of 0.0068% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$1,702,298. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 649,313	\$ -
Changes of assumptions	618,059	-
Net difference between projected and actual earnings on pension plan investments	92,496	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	102,328	129,288
County contributions subsequent to the measurement date	884,225	-
Total	\$ 2,346,421	\$ 129,288

\$884,225 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2021	\$ 683,959
2022	212,671
2023	348,306
2024	87,972
2025	-
Thereafter	-
	\$ 1,332,908

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Health Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 8,673,359	\$ 3,792,158	\$ (265,109)

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

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits.	0
Active plan members	35
Total	41

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

2 Summary of Significant Accounting Policies

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

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

3 Actuarial Assumptions

The entry age actuarial costs method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

4 Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions by employees. The County paid \$73,128 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported total pension liability of \$1,231,952. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$125,380.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 309,070	\$ -
Changes of assumption	47,675	28,120
Benefit payments and administrative expenses subsequent to the measurement date	43,368	-
Total	<u>\$ 400,113</u>	<u>\$ 28,120</u>

**CASWELL COUNTY, NORTH CAROLINA
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\$43,368 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 88,883
2022	89,071
2023	76,893
2024	64,598
2025	9,180
Thereafter	-

\$73,128 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 1,321,501	\$ 1,231,952	\$ 1,150,301

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

	2020
Beginning balance	\$ 916,873
Service Cost	40,924
Interest on the total pension liability	32,043
Change in benefit terms	-
Difference between expected and actuarial experience	283,315
Changes of assumptions or other inputs	31,925
Benefit payments	(73,128)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,231,952</u>

Changes of assumptions. Changes of assumptions and other inputs reflected a change in the discount rate from 3.64 percent at December 31, 2018 (measurement date) to 3.26 percent at December 31, 2019 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through December 31, 2014.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$74,010, which consisted of \$57,452 from the County and \$16,559 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,365 for the year ended June 30, 2020.

**CASWELL COUNTY, NORTH CAROLINA
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the County reported an asset of \$28,825 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2019, the County's proportion was 0.146%, which was a decrease of 0.0208% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$6,866. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,390
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	295	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	3,347	3,718
County contributions subsequent to the measurement date	1,365	-
Total	<u>\$ 5,007</u>	<u>\$ 5,108</u>

\$1,365 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June	
2021	\$ 1,548
2022	(954)
2023	(1,489)
2024	(569)
Thereafter	-
	<u>\$ (1,464)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (1,942)	\$ 28,825	\$ (2,507)

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

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The net pension liability for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. The County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 3,792,158	\$ (28,825)	\$ -	\$ 3,763,333
Proportion of the Net Pension Liability (Asset)	0.1389%	0.1460%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,231,952	\$ 1,231,952
Pension Expense	\$ 1,702,298	\$ 9,924	\$ 51,617	\$ 1,763,839

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 649,313	\$ -	\$ 309,070	\$ 958,383
Changes of assumptions	618,059	-	47,675	665,734
Net difference between projected and actual earnings on pension plan investments	92,496	295	-	92,791
Change in proportion and differences between County contributions and proportionate share of contributions	102,328	3,347	-	105,675
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	884,225	1,365	43,368	928,958
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 1,390	\$ -	\$ 1,390
Changes of assumptions	-	-	28,120	28,120
Changes in proportion and differences between County contributions and proportionate share of contributions	129,288	3,718	-	133,006

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

e. Other Postemployment Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees who meet the following requirements. The Board of Commissioners may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

	2019
Retirees and dependents receiving benefits	22
Active plan members	208
Total	<u>230</u>

Total OPEB Liability

The County's total OPEB liability of \$4,001,823 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.50 percent
Measurement Date	3.56 percent

**CASWELL COUNTY, NORTH CAROLINA
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Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2018	\$ 3,126,426
Changes for the year:	
Service Cost at the end of the year*	149,204
Interest on TOL and Cash Flows	117,815
Change in benefit terms	-
Difference between expected and actual experience	680,897
Changes of assumptions or other inputs	123,001
Benefit payments	(148,620)
Other	(46,900)
Net Changes	<u>\$ 875,397</u>
Total OPEB Liability as of June 30, 2019	<u>\$ 4,001,823</u>

*The service cost includes interest for the year.

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

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

The following presents the net OPEB liability of the County as of June 30, 2020 as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) and 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	\$4,353,265	\$ 4,001,823	\$ 3,684,727

**CASWELL COUNTY, NORTH CAROLINA
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Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the County at June 30, 2020, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ 3,611,943	\$ 4,001,823	\$ 4,454,319

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, the County recognized OPEB expense of \$283,470. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2020, the components of the net OPEB liability of the County, measured as of June 30, 2019, were as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ 616,468	\$ 1,578
Changes of assumptions	107,232	179,408
Benefit payments and administrative costs	117,841	-
Total	<u>\$ 841,541</u>	<u>\$ 180,986</u>

\$117,841 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2021	\$ 73,039
2022	73,039
2023	73,039
2024	73,039
2025	73,470
Thereafter	177,088

**CASWELL COUNTY, NORTH CAROLINA
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f. Other Employment Benefits

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

3 Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Charge on refunding of debt	\$ 4,019	\$ -
(Pensions, OPEB) - difference between expected and actual experience	1,574,851	2,968
(Pensions, OPEB) Changes of assumptions	772,966	207,528
(Pensions, OPEB) - difference between projected and actual investment	92,791	-
(Pensions, OPEB) - change in proportion and difference between employer contributions and proportionate share of contributions	105,675	133,006
Contributions to pension plan subsequent to the measurement date (LGERS, ROD)	885,590	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	117,841	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	43,368	-
Prepaid taxes not yet earned (General Fund)	-	43,314
Taxes receivable, net (General)	-	180,645
Taxes receivable, net (Special Revenue)	-	65,869
Total	<u>\$ 3,597,101</u>	<u>\$ 633,330</u>

4 Risk Management

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

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

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

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

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

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

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

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

5 Summary of Disclosure of Significant Commitments

a. Contingent Liabilities

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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b. Long-Term Obligations

a. Installment Purchases

Paid or serviced by the General Fund:

The County entered into a direct borrowing agreement with Piedmont Electric in February 2018. The total amount of the loan was \$995,231, and was to finance the Library Improvement project. Principal payments of \$99,523 are due annually starting February 20, 2019. The failure to make an annual payment when due or comply with any of the terms of the Construction and Permanent Loan Agreement or of the Future Advances Deed of Trust securing this Note will constitute a default of this Note. Any unpaid principal of this Note shall bear interest at the rate of 10% per annum after default until paid. In the event of default, the entire balance of the principal remaining shall be automatically due and payable.

\$ 796,185

The County entered into a direct placement loan agreement with Pinnacle Public Finance in May 2016, to finance the Courthouse HVAC replacement project. The total amount of the loan was \$985,000. Principal payments of \$98,000, plus accrued interest at 2.15% are due annually starting August 1, 2016. In the event of default the lender may, without any further demand or notice a) declare the unpaid principal immediately due and payable, b) proceed by appropriate court to enforce the County performance of applicable covenants, and c) avail itself of all available remedies under the agreement. The HVAC equipment is pledged as collateral for the loan.

590,000

The County entered into a direct placement loan agreement with American National Bank and Trust Company in March 2016 for the purchase of 12 Fleet Vehicles. Principal payments of \$54,399, plus accrued interest at 2.10% are due annually starting May 1, 2016. The vehicles stand as collateral for the loan. In the event of default, the lender may declare the entire unpaid balance under this note and all accrued unpaid interest and fees immediately due and payable.

4,829

Total

\$ 1,391,014

Caswell County, the future minimum payments as of June 30, 2020, including \$44,312 of interest are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 203,352	\$ 12,685
2022	198,523	10,557
2023	197,523	8,428
2024	197,523	6,321
2025	98,000	4,214
2026-2030	496,093	2,107
Total	\$ 1,391,014	\$ 44,312

**CASWELL COUNTY, NORTH CAROLINA
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b. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. The County's Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water Districts' funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The County's general obligation bonds payable at June 30, 2020 are comprised of the following individual issues:

Serviced by the County's General Fund:

General Obligation Bonds:

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

\$ 200,000

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2020 were as follows:

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2021	\$ 200,000	\$ 6,500
2022	-	-
2023	-	-
Total	<u>\$ 200,000</u>	<u>\$ 6,500</u>

c. Bond Anticipation Note

The County issued a General Obligation Bond Anticipation Note (School Project), Series 2020 dated June 16, 2020 in the amount of \$13,150,000. Interest payments will be due in June 2021 and June 2022, with a final principal and interest payment due December 2022.

Year Ending June 30	Governmental Activities	
	Bond Anticipation Note	
	Principal	Interest
2021	\$ -	\$ 276,150
2022	-	276,150
2023	13,150,000	149,581
Total	<u>\$ 13,150,000</u>	<u>\$ 701,881</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

d. Private Placement Bonds

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

The County's private placement bonds payable at June 30, 2020 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$8,567,000 2011 Bonds Due February 1 and August 1 in installments of \$142,426 to \$447,983 through August 1, 2016; interest 3.325%. The deed on the property is collateral for the loan. In the event of default, the Bank may (a) declare the unpaid principal components of the Installment Payments immediately due and payable; (b) proceed by appropriate court action to enforce the County's performance of the covenants of the agreement or to recover for the breach; (c) pay over any balance remaining in the Project Account to be applied against outstanding required payments in any manner the Bank may reasonably deem appropriate; and/or (d) avail itself of all available remedies under the Agreement and the Deed of Trust. \$ 4,265,000

Year Ending June 30	Governmental Activities	
	Revolving Loans	
	Principal	Interest
2021	\$ 656,000	\$ 136,358
2022	656,000	114,546
2023	656,000	92,734
2024	656,000	70,922
2025	656,000	49,110
2026-2030	985,000	32,768
Total	<u>\$ 4,265,000</u>	<u>\$ 496,438</u>

e. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 410,000	\$ -	\$ 210,000	\$ 200,000	\$ 200,000
Plus premiums on issuance	3,539	-	1,770	1,769	1,769
Total General obligation bonds	413,539	-	211,770	201,769	201,769
Bond Anticipation Note	-	13,150,000	-	13,150,000	-
Private placement bonds	4,921,000	-	656,000	4,265,000	656,000
Direct Placement and Direct Borrowing Installment purchases	1,714,771	-	323,757	1,391,014	203,352
Compensated Absences	743,758	96,092	-	839,850	209,963
Net pension liability (LERS)	3,364,120	328,458	-	3,692,578	-
Total pension liability (LEOSSA)	916,873	315,079	-	1,231,952	-
Net OPEB liability	2,949,904	825,971	-	3,775,875	-
Total governmental activities	<u>\$ 15,023,965</u>	<u>\$ 1,565,600</u>	<u>\$ 1,191,527</u>	<u>\$ 15,398,038</u>	<u>\$ 1,271,084</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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Long-Term Obligation Activity (Continued):

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Business-type Activities:					
Net OPEB liability					
Solid Waste	\$ 98,357	\$ 27,540		\$ 125,897	\$ -
Caswell Div. Transport	78,165	21,886		100,051	-
Total	176,522	49,426	-	225,948	-
Net Pension Liability (LGRS)					
Solid Waste	32,996	3,221		36,217	-
Caswell Div. Transportation	57,727	5,636		63,363	-
Total	90,723	8,857	-	99,580	-
Compensated Absence					
Solid Waste	10,204	3,186		13,390	3,348
Caswell Div. Transpiration	13,597	-	451	13,146	3,287
Total	23,801	3,186	451	26,536	6,634
Accrued post closure liability	57,903	-	13,339	44,564	-
Total Business-type activities	\$ 348,949	\$ 61,469	\$ 13,790	\$ 396,628	\$ 6,634

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

On June 30, 2020, Caswell County had a legal debt margin of \$115,836,429.

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

State and federal laws and regulations require the County to place a final cover on its Solid Waste Landfill Facility when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. The Caswell County landfill closed in 1994. The \$44,564 reported as accrued landfill closure liability at June 30, 2020 represents the latest estimate for costs remaining.

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

C. Interfund Balances and Activity

Transfers from /to other funds

From the School Capital Reverse Fund to the General Fund for school bond payments	\$ 687,800
From the Courthouse HVAC Fund to the General Fund to close out the project fund.	13,967
From the General Fund to the School Capital Reverse Fund for restricted sales tax	904,456
From the General Fund to the Special Fire Department for volunteer fire departments rescue operations	31,500
From the General Fund to the Financial Software Project Fund to provide resources for the software conversion.	351,579
From the General Fund to the Library Development Fund to provide resources for the project.	350,000
From the General Fund to the Revaluation Fund for revaluation reserve and expense paid.	30,000
From the School Security Project to the School Capital Reserve Project to reserve lottery funds for future debt service payments.	422,900
From the General Fund to the Solid Waste Fund to transfer CARES Act Money to cover allowable expenses.	155,000
Total	<u><u>\$ 2,947,202</u></u>

Due from/to other funds

From the Scattered Site Fund to General Fund for central depository overdraft	\$ 1,367
From the Solid Waste Fund to General Fund for central depository overdraft	165,260
From the School Capital Project Fund to General Fund for central depository overdraft	504,922
From the Special Grant Fund to General Fund for central depository overdraft	11,336
From the Library Development Fund to General Fund for central depository overdraft	38,885
From the Courthouse HVAC Project Fund to General Fund to correct cash postings (money needs to be transferred from separate HVAC account to the central depository account to close out the fund).	13,967
Total	<u><u>\$ 735,737</u></u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Net Capital assets	\$ 26,236,810	\$ 894,306
Capital debt calculation:		
Total debt, gross	19,006,014	-
Less:		
School debt for assets to which the county does not hold title	(200,000)	-
Unspent Loan Proceeds	<u>(13,142,554)</u>	<u>-</u>
Adjusted Debt	<u>5,663,460</u>	<u>-</u>
Net Investment in capital assets	<u>\$ 20,573,350</u>	<u>\$ 894,306</u>

E. Fund Balance

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

Total Fund Balance - General Fund	\$ 9,879,513
Less:	
Nonspendable - prepaids	\$ 67,924
Stabilization by State Statute	2,422,438
Appropriated fund balance in 2021 budget	1,838,639
Register of Deeds	61,685
Tax Revaluation	190,458
Education	1,422,375
LEO Separation	33,836
Remaining Fund Balance	<u>3,842,158</u>

The County outstanding encumbrances of \$48,560 at June 30, 2020.

NOTE IV: Joint Ventures

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE V: Joint Governed Organization

Piedmont Triad Council of Governments

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

Person- Caswell Lake

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

Piedmont Community

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

Piedmont Triad Partnership

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

NOTE VI: Related Party Transactions

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE VII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE VIII: Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2020 and June 18, 2021, which is the date that financial statements were available to be issued, for possible recognition or disclosure in the financial statements. A School Board Referendum passed for additional bond funding not to exceed \$36.5 million.

NOTE IX: Prior Period Adjustment

A prior period adjustment was recorded in the revolving loan fund to reflect outstanding loan balances as of June 30, 2019. These balances were not recorded in prior years.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)

~ Schedule of County Contributions (LGERS)

~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)

~ Schedule of County Contributions (ROD)

~ Schedule of Changes in Total Pension Liability (LEO)

~ Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)

~ Schedule of Changes in the Total OPEB Liability and Related Ratios

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

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.139%	0.146%	0.149%	0.133%	0.131%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 3,792,158	\$ 3,454,842	\$ 2,274,169	\$ 2,828,011	\$ 589,761	\$ (784,126)	\$ 1,685,126
County's covered payroll	\$ 9,128,918	\$ 9,118,194	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282	\$ 7,805,541
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.54%	37.89%	25.24%	34.48%	7.50%	-10.23%	21.59%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	102.64%

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

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

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

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

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 884,225	\$ 725,507	\$ 701,348	\$ 672,660	\$ 560,597	\$ 556,303	\$ 544,352
Contributions in relation to the contractually required contribution	884,225	725,507	701,348	672,660	560,597	556,303	544,352
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 9,685,592	\$ 9,128,918	\$ 9,118,194	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282
Contributions as a percentage of covered payroll	9.13%	7.95%	7.69%	7.46%	6.84%	7.08%	7.10%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.146%	0.120%	0.167%	0.174%	0.169%	0.170%	0.150%
County's proportionate share of the net pension liability (\$)	\$ (28,825)	\$ (19,945)	\$ (28,476)	\$ (32,441)	\$ (39,108)	\$ (38,487)	\$ (32,021)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 1,365	\$ 3,804	\$ 3,650	\$ 3,225	\$ 2,856	\$ 2,753	\$ 1,386
Contributions in relation to contractually required contribution	<u>1,365</u>	<u>3,804</u>	<u>3,650</u>	<u>3,225</u>	<u>2,856</u>	<u>2,753</u>	<u>1,386</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Caswell County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2020*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 916,873	\$ 863,655	\$ 707,495	\$ 683,438
Service Cost	40,924	48,421	39,068	35,387
Interest on the total pension liability	32,043	26,136	26,936	24,054
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in measurement of the total pension liability	283,315	88,345	58,788	-
Changes of assumptions or other inputs	31,925	(36,564)	50,704	(16,048)
Benefit payments	(73,128)	(73,120)	(19,336)	(19,336)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 1,231,952</u>	<u>\$ 916,873</u>	<u>\$ 863,655</u>	<u>\$ 707,495</u>

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

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

Caswell County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,231,952	\$ 916,873	\$ 863,655	\$ 707,495
Covered payroll	<u>1,515,729</u>	<u>1,705,482</u>	<u>1,576,149</u>	<u>1,388,436</u>
Total pension liability as a percentage of covered payroll	81.28%	53.76%	54.80%	50.96%

Notes to the schedules:

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

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

Caswell County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2020

Exhibit A-7

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 149,204	\$ 144,159	\$ 156,545
Interest	117,815	107,970	93,618
Changes of benefit terms	-	-	-
Differences between expected and actual experience	680,897	30,511	(2,529)
Changes of assumptions	123,001	(99,171)	(168,400)
Benefit payments	(148,620)	(178,277)	(135,462)
Implicit rate subsidy fulfillment	(46,900)	-	-
Net change in total OPEB liability	875,397	5,192	(56,228)
Total OPEB liability - beginning	<u>3,126,426</u>	<u>3,121,234</u>	<u>3,177,462</u>
Total OPEB liability - ending	<u><u>\$ 4,001,823</u></u>	<u><u>\$ 3,126,426</u></u>	<u><u>\$ 3,121,234</u></u>
 Covered payroll	 8,360,051	 8,360,051	 8,360,051
 Total OPEB liability as a percentage of covered payroll	 47.87%	 37.40%	 37.34%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%

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

Combining and Individual Fund Statements and Schedules

MAJOR GOVERNMENTAL FUNDS

- **General Fund:** This fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.
- **School Project Fund:** This fund is used to account for resources for school construction projects.

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

Exhibit B-1
(continued)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Ad valorem Taxes				
Current year		\$ 12,215,303		\$ 11,713,389
Prior Year		276,969		370,584
Penalties and interest		126,297		141,333
Total	\$ 12,573,042	12,618,569	\$ 45,527	12,225,306
Other Taxes and Licenses				
Sales Tax	3,421,708	3,677,402	255,694	3,462,011
Medicaid hold harmless	287,000	379,031	92,031	294,665
Privilege License	600	215	(385)	380
Cable television	14,500	12,689	(1,811)	12,549
Occupancy tax	9,500	12,188	2,688	20,467
Total	3,733,308	4,081,525	348,217	3,790,072
Unrestricted Intergovernmental Revenues				
Beer and wine	94,225	92,404	(1,821)	90,988
Gasoline tax refund	-	3,530	3,530	1,653
Indirect costs	78,073	78,073	-	78,073
ABC Distribution	17,000	25,905	8,905	19,051
DWI State/Civil license revocation	2,000	1,745	(255)	1,771
Total	191,298	201,657	10,359	191,536
Restricted Intergovernmental Revenues				
Federal and state grants	6,302,128	4,921,077	(1,381,051)	4,236,899
School share of sales tax	889,040	904,454	15,414	842,617
CARES Act Funding	725,671	314,488	(411,183)	-
Court facilities fees	49,700	62,398	12,698	56,835
ABC Board bottle tax	7,500	16,528	9,028	7,874
Sheriff-DEA Funds	42,102	8,625	(33,477)	2,485
EMS Medicaid Cost Settlement	100,677	194,796	94,119	370,418
School resource officer	131,432	131,432	-	131,432
Section 8	1,037,180	1,104,127	66,947	1,031,082
Total	9,285,430	7,657,925	(1,627,505)	6,679,642
Permits and Fees				
Subdivision fees	2,000	2,420	420	2,360
Building permits and inspection fees	230,000	184,501	(45,499)	159,532
Outdoor storage ordinance	550	350	(200)	650
Tax collections fees	10,626	10,731	105	10,548
Election fees	5,000	1,701	(3,299)	2,346
Register of Deeds	179,726	185,728	6,002	178,234
Concealed weapon permit	32,500	32,986	486	36,685
Impound fee	2,500	4,650	2,150	5,345
Civil case processing	23,500	18,917	(4,583)	21,076
Jail telephone fees	18,000	25,737	7,737	23,367
Animal control fees	300	400	100	700
Parks & Recreation fees	50,500	21,453	(29,047)	39,540
Farmer lake fees	8,550	7,159	(1,391)	9,070
Tax and map cards/GIS	1,700	1,604	(96)	1,357
4-H Activities	7,477	11,006	3,529	14,134
Cooperative Extension	18,620	544	(18,076)	10,626
Other	274,574	363,855	89,281	324,056
Total	866,123	873,742	7,619	839,626

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Sales and Services				
Rents, concessions and fees	46,426	47,988	1,562	48,205
Jail fees	7,300	5,323	(1,977)	10,017
Ambulance fees	10,000	9,243	(757)	17,006
EMS source collections	775,000	724,521	(50,479)	808,893
Health department fees	993,719	1,198,607	204,888	1,454,497
Senior fees	157,844	78,440	(79,404)	101,609
Library fees	9,051	6,526	(2,525)	8,313
Detention center fees	103,300	23,159	(80,141)	150,961
Guilford Mills reimbursement	15,000	12,490	(2,510)	14,784
Other	18,934	27,482	8,548	8,464
Total	2,136,574	2,133,779	(2,795)	2,622,749
Interest on investments	66,700	75,334	8,634	125,412
Miscellaneous				
Other	88,217	119,936	(208,153)	47,834
Total	88,217	119,936	(208,153)	47,834
Total Revenues	28,940,692	27,762,467	(1,418,097)	26,522,177
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	58,702	57,424	1,278	57,391
Other operating expenditures	11,580	3,829	7,751	7,796
Total	70,282	61,253	9,029	65,187
Administration				
Salaries and employee benefits	291,822	290,884	938	283,174
Other operating expenditures	74,529	80,431	(5,902)	73,404
Total	366,351	371,315	(4,964)	356,578
Board of Elections				
Salaries and employee benefits	112,931	113,452	(521)	99,242
Other operating expenditures	106,793	45,666	61,127	54,411
Capital Outlay	165,000	167,154	(2,154)	-
Total	384,724	326,272	58,452	153,653
Finance				
Salaries and employee benefits	278,654	241,811	36,843	228,444
Other operating expenditures	15,465	5,342	10,123	4,847
Capital Outlay	63,411	-	63,411	-
Total	357,530	247,153	110,377	233,291
Tax Office				
Salaries and employee benefits	287,423	283,970	3,453	246,325
Other operating expenditures	251,100	223,504	27,596	276,896
Capital Outlay	122,225	13,400	108,825	5,160
Total	660,748	520,874	139,874	528,381

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Register of Deeds				
Salaries	153,969	142,696	11,273	137,612
Other operating expenditures	72,011	74,171	(2,160)	68,722
Capital Outlay	7,000	1,656	5,344	9,667
Total	232,980	218,523	14,457	216,001
Court Facilities				
Other operating expenditures	62,800	52,306	10,494	48,765
Total	62,800	52,306	10,494	48,765
Public Facilities				
Salaries and employee benefits	305,632	262,059	43,573	242,697
Other operating expenditures	394,817	369,704	25,113	376,052
Capital Outlay	240,049	286,421	(46,372)	195,057
Total	940,498	918,184	22,314	813,806
Information Technology				
Salaries and employee benefits	121,165	99,839	21,326	53,419
Other operating expenditures	47,300	45,368	1,932	23,685
Capital Outlay	30,000	53,649	(23,649)	8,835
Total	198,465	198,856	(391)	85,939
Nondepartmental				
Health insurance-retirees	144,030	94,891	49,139	126,100
Unemployment insurance	26,813	26,813	-	-
Professional Services	221,783	160,034	61,749	213,447
Supplies	4,000	3,866	134	2,428
Maintenance and repairs	10,500	8,639	1,861	15,176
Advertising	1,500	337	1,163	207
Dues and subscription	8,047	6,868	1,179	28,559
Insurance bond	306,742	262,656	44,086	287,616
Customer Service Agreement	-	-	-	-
Wellness benefits/ activities	11,500	6,078	5,422	3,794
County Facility	1,000	904	96	587
Copier Rental Fee	11,000	11,289	(289)	12,199
Phone System Upgrade	1,000	4,506	(3,506)	-
Travel	-	44	(44)	-
Capital Outlay	-	-	-	7,000
Total	747,915	586,925	160,990	697,113
Total General Government	4,022,293	3,501,661	520,632	3,198,714
Public safety:				
Sheriff				
Salaries	2,222,704	2,139,355	83,349	2,038,477
Other operating expenditures	715,152	360,874	354,278	392,960
Capital Outlay	16,837	13,557	3,280	7,263
Total	2,954,693	2,513,786	440,907	2,438,700
Jail				
Salaries and employee benefits	1,066,342	970,367	95,975	948,952
Other operating expenditures	557,135	523,290	33,845	526,361
Total	1,623,477	1,493,657	129,820	1,475,313

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
Emergency Management				
Salaries and employee benefits	98,551	55,584	42,967	10,231
Other operating expenditures	324,526	106,674	217,852	40,091
Capital Outlay	-	-	-	-
Total	<u>423,077</u>	<u>162,258</u>	<u>260,819</u>	<u>50,322</u>
911 communications				
Salaries and employee benefit	721,223	578,797	142,426	579,272
Other operating expenditures	156,003	93,751	62,252	72,881
Capital Outlay	5,000	4,622	378	-
Total	<u>882,226</u>	<u>677,170</u>	<u>205,056</u>	<u>652,153</u>
School resource officer				
Salaries and employee benefits	164,701	159,408	5,293	149,297
Other operating expenditures	8,925	5,684	3,241	3,884
Total	<u>173,626</u>	<u>165,092</u>	<u>8,534</u>	<u>153,181</u>
Inspections				
Salaries and employee benefit	163,182	161,022	2,160	116,890
Other operating expenditures	32,489	34,296	(1,807)	25,343
Total	<u>195,671</u>	<u>195,318</u>	<u>353</u>	<u>142,233</u>
Emergency medical services				
Salaries and employee benefits	1,604,959	1,635,137	(30,178)	1,587,336
Other operating expenditures	381,362	303,461	77,901	298,336
Capital outlay	380,000	384,106	(4,106)	-
Total	<u>2,366,321</u>	<u>2,322,704</u>	<u>43,617</u>	<u>1,885,672</u>
Coroner				
Professional services	9,500	5,000	4,500	5,000
Autopsy	12,000	5,250	6,750	7,000
Total	<u>21,500</u>	<u>10,250</u>	<u>11,250</u>	<u>12,000</u>
Total Public Safety	<u>8,640,591</u>	<u>7,540,235</u>	<u>1,100,356</u>	<u>6,809,574</u>
Environmental Protection				
Soil and water conservation service				
Salaries and employee benefits	103,695	103,284	411	99,504
Other operating expenditures	14,082	5,262	8,820	5,465
Total	<u>117,777</u>	<u>108,546</u>	<u>9,231</u>	<u>104,969</u>
Total Environmental Protection	<u>117,777</u>	<u>108,546</u>	<u>9,231</u>	<u>104,969</u>

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Economic and Physical Development:				
Economic Development				
Salaries and benefits	79,239	94,287	(15,048)	143,083
Other operating expenditures	286,543	57,130	229,413	-
Total	365,782	151,417	214,365	143,083
Extension Service				
Salaries and employee benefits	312,689	316,240	(3,551)	250,558
Other operating expenditures	67,033	41,289	25,744	40,756
Total	379,722	357,529	22,193	291,314
Planning Board				
Salaries and employee benefits	61,767	61,807	(40)	56,601
Other operating expenditures	19,125	5,685	13,440	8,649
Total	80,892	67,492	13,400	65,250
Total Economic and Physical Develop	826,396	576,438	249,958	499,647
Human services:				
Health				
Salaries and employee benefits	2,179,186	2,046,920	132,266	1,953,096
Other operating expenditures	680,028	503,821	176,207	522,051
Capital outlay	61,000	35,077	25,923	114,650
Total	2,920,214	2,585,818	334,396	2,589,797
Mental Health				
Alcohol rehabilitation	5,000	-	5,000	5,691
Alamance - Caswell Area Mental Health	92,197	92,197	-	69,148
Total	97,197	92,197	5,000	74,839
Animal control				
Salaries and employee benefits	87,677	87,654	23	84,404
Other operating expenditures	143,150	140,665	2,485	142,275
Capital outlay	2,200	-	2,200	-
Total	233,027	228,319	4,708	226,679
Social Services Administration				
Salaries	2,518,320	2,461,557	56,763	2,408,038
Other operating expenditures	505,208	360,938	144,270	366,326
Capital outlay	30,000	21,209	8,791	-
Total	3,053,528	2,843,704	209,824	2,774,364
Purchased Services				
Day care services	70,000	-	70,000	-
State boarding home programs	41,996	75,245	(33,249)	27,268
E-funds	7,283	7,320	(37)	6,857
Total	119,279	82,565	36,714	34,125

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
JOBS				
Supportive Services	22,000	3,124	18,876	1,620
Total	22,000	3,124	18,876	1,620
 Aid to families with dependent children				
Program payments	456,166	159,947	296,219	151,142
 General Aid				
Program Payments	250,407	191,735	58,672	222,667
 Medical assistance				
Program payments	50,208	-	50,208	-
 Other count assistance				
Fuel emergencies	268,369	254,529	13,840	297,089
Total	268,369	254,529	13,840	297,089
 Section 8 Housing Authority				
Salaries and employee benefits	144,756	144,137	619	139,320
Other operating expenditures	28,351	19,270	9,081	19,026
Housing assistance payments	893,000	933,400	(40,400)	866,353
Total	1,066,107	1,096,807	(30,700)	1,024,699
 Nutrition program				
Salaries and employee benefits	338,575	241,323	97,252	225,385
Other operating expenditures	294,712	234,345	60,367	206,332
Capital Outlay	-	-	-	-
Total	633,287	475,668	157,619	431,717
 Senior Center				
Other operating expenditures	439,332	152,411	286,921	237,970
Total	439,332	152,411	286,921	237,970
 SHIP Grant				
Other operating expenditures	-	367	(367)	354
 DJJDP				
Salaries and employee benefit	76,989	80,010	(3,021)	74,240
Other operating expenditures	32,857	36,949	(4,092)	29,774
Capital Outlay	-	-	-	-
Total	109,846	116,959	(7,113)	104,014
 Family Services				
Salaries and employee benefits	133,339	142,905	(9,566)	129,925
Other operating expenditures	59,733	33,726	26,007	41,741
Total	193,072	176,631	16,441	171,666

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

Exhibit B-1
(continued)

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Special appropriations				
Aging Program	-	-	-	-
Caswell Parish, INC	10,000	10,000	-	10,000
Cooperative Forestry	69,732	65,211	4,521	61,938
CCR&R partnership	3,000	3,000	-	3,000
Caswell Historical Society	2,500	2,500	-	2,500
Administration	1,000	1,000	-	1,264
Total	86,232	81,711	4,521	78,702
CRF				
Salaries and employee benefits	-	73,044	(73,044)	-
Other operating expenditures	627,775	22,526	605,249	-
Total	627,775	95,570	532,205	-
Total Human Services	10,626,046	8,638,062	1,987,984	8,421,444
Cultural and Recreational:				
Library				
Salaries and employee benefits	297,349	266,992	30,357	248,499
Other operating expenditures	167,111	90,826	76,285	65,098
Mini-Grants	54,992	-	54,992	48,811
Capital Outlay	6,300	-	6,300	-
Total	525,752	357,818	167,934	362,408
Recreation				
Salaries and employee benefits	136,922	135,741	1,181	173,758
Other operating expenditures	152,507	64,370	88,137	83,115
Mini-Grants	25,500	-	25,500	26,262
Capital Outlay	-	-	-	-
Total	314,929	200,111	114,818	283,135
Farmer Lake				
Salaries and employee benefits	52,135	50,981	1,154	49,586
Other operating expenditures	21,300	10,801	10,499	14,433
Capital Outlay	59,380	62,550	(3,170)	24,000
Total	132,815	124,332	8,483	88,019
Other				
Art Council	2,500	2,500	-	2,500
Total Cultural and Recreational	975,996	684,761	291,235	736,062
Education:				
Public School				
Current Expense	2,600,000	2,600,000	-	2,600,000
Capital Outlay	465,000	465,000	-	465,000
Teacher Signing Bonus	105,000	55,000	50,000	55,000
Piedmont Community College				
Current Expense	326,195	326,195	-	306,195
Capital Outlay	65,000	65,000	-	65,000
Total Education	3,561,195	3,511,195	50,000	3,491,195

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Debt service:				
Principal	1,189,759	1,189,757	2	1,247,099
Interest payments	186,950	186,942	8	219,870
Total debt service	1,376,709	1,376,699	10	1,466,969
Total expenditures	30,147,003	25,937,597	4,209,406	24,728,574
Revenue over (under) expenditures	(1,206,311)	1,824,870	3,031,181	1,793,603
Other financing sources (uses):				
Transfers from other funds				
School Capital reserve fund	687,800	687,800	-	699,250
Courthouse HVAC Capital Project	13,967	13,967	-	-
Total	701,767	701,767	-	699,250
Transfers to other funds				
School capital reserve fund	(889,040)	(904,456)	(15,416)	(883,435)
Special fire districts fund	(31,500)	(31,500)	-	(31,500)
Special Grant Fund	-	-	-	(300,000)
Finance Software Project	(351,579)	(351,579)	-	-
Library Project	(350,000)	(350,000)	-	-
Revaluation fund	(30,000)	(30,000)	-	(30,000)
Solid Waste Fund	-	(155,000)	(155,000)	-
Total	(1,652,119)	(1,822,535)	(170,416)	(1,244,935)
Appropriated fund balance	2,156,663	-	(2,156,663)	-
Total other financing sources (uses)	1,206,311	(1,120,768)	(2,327,079)	(545,685)
Excess of revenues and other sources over (under expenditures and other uses)	\$ -	704,102	\$ 704,102	1,247,918
Fund balance- July 1		7,139,676		5,891,758
Fund balance- June 30		\$ 7,843,778		\$ 7,139,676

Caswell County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ 300	\$ 735	\$ 435	\$ 1,433
Total revenues	300	735	435	1,433
Expenditures:				
General government				
Revaluation of tax base	30,300	-	30,300	-
Revenues over (under) expenditures	(30,000)	735	30,735	1,433
<u>Other financing sources</u>				
Appropriated Fund Balance	-	-	-	-
Transfers from other funds				
General Fund	30,000	30,000	-	30,000
Emergency Telephone Fund	-	-	-	-
Total	30,000	30,000	-	30,000
Excess of Revenues and Other Sources				
Over (Under) Expenditures	\$ -	30,735	\$ 30,735	31,433
Fund balance, beginning		159,723		128,290
Fund balance, ending		\$ 190,458		\$ 159,723

Caswell County, North Carolina
Capital Reserve Fund- School Capital Outlay
Schedule of Revenues, Expenditures
And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2020
With Comparative Actual Amounts For The Year Ended June 30, 2019

	2020		Variance	2019
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
<u>REVENUES</u>				
Interest on Investments	\$ 5,000	\$ 10,436	\$ 5,436	\$ 13,077
<u>EXPENDITURES</u>				
Reserve	429,040	-	429,040	-
Education	-	-	-	-
Total Expenditures	429,040	-	429,040	-
Revenues Over (Under) Expenditures	(424,040)	10,436	434,476	13,077
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	889,040	904,454	(15,414)	883,434
School Security Project Fund	-	422,900	(422,900)	-
Transfers to other funds				
General Fund	(465,000)	(687,800)	222,800	(699,249)
Appropriated fund balance	-	-	-	-
Total other financing sources (uses)	424,040	216,654	207,386	184,185
Revenues and other sources over (under) expenditures and other uses	\$ -	227,090	\$ 641,862	197,262
<u>FUND BALANCE</u>				
Beginning of year- July 1		1,195,285		998,023
End of year- June 30		\$ 1,422,375		#####

Caswell County, North Carolina
School Capital Projects Fund
Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

		Actual				
	Project Authorization	Prior Years	Current Year	Closed Out Project	Total to Date	Variance Positive (Negative)
Revenues:						
Investment earnings	\$ 226,238	\$ -	\$ 637	\$ -	\$ 637	\$ 225,601
Lottery funding	2,666,667	-	1,600,000	-	1,600,000	1,066,667
State Needs-Based Grant	15,000,000	-	1,128,750	-	1,128,750	13,871,250
Total Revenue	17,892,905	-	2,729,387	-	2,729,387	15,163,518
Expenditures:						
Education						
BYHS Field House						
Construction	-	-	614,175	-	614,175	(614,175)
BYHS Construction Project						
Administrative Cost	-	54,293	803,541	-	857,834	(857,834)
Architect/Engin	2,450,000	-	1,075,000	-	1,075,000	1,375,000
BYHS Project Management	-	-	12,775	-	12,775	(12,775)
Relocation Cost	-	-	34,624	-	34,624	(34,624)
Bond Sale Expense	-	-	7,500	-	7,500	(7,500)
Construction	32,650,000	-	-	-	-	32,650,000
Total Expenditures	35,100,000	54,293	2,547,615	-	2,601,908	32,498,092
Revenues over (under) expenditures	(17,207,095)	(54,293)	181,772	-	127,479	(17,334,574)
Other Financing Sources (Uses)						
Loan Proceeds	17,433,333	-	13,150,000	-	13,150,000	4,283,333
Transfer to General Fund	(226,238)	-	-	-	-	(226,238)
Total other financing sources	17,207,095	-	13,150,000	-	13,150,000	4,057,095
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ (54,293)	13,331,772	\$ -	\$ 13,277,479	\$(13,277,479)
Fund balance, beginning			(54,293)			
Fund balance, ending			\$ 13,277,479			

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

- **Special Fire District Fund:** This fund is record tax levies and remittances to the fire districts.
- **Emergency Telephone System Fund:** This fund is used to set aside money for 911.
- **Revolving Loan Fund:** This fund is used to account for an economic incentive grant that is loaned out.
- **Equipment and Automation Fund:** This fund is used to account for funds set aside to ensure that sufficient funds are available to replace patrol cars, ambulances, animal control officer's vehicles, and emergency management vehicles in a systematic manner.

Capital Project Fund

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

- **Special Grant Fund:** This fund is used to account for acquisition and remodeling of the Caswell Enterprise Center.
- **Scattered Site Fund:** This fund is used to account for revenues and expenditures of rehabilitate substandard rural housing.
- **Library Development Fund:** This fund is used to account for library construction.
- **Courthouse HVAC Project Fund:** This capital projects fund is used to account for funds set aside for HVAC replacement at the Courthouse.
- **School Safety Project Fund:** This fund is used to account for the school safety project.
- **Financial Software Project Fund:** This fund is used to account for software conversion expenses.

Caswell County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds				Capital Project Funds						
	Special Fire District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Equipment and Automation Fund	Special Grant Fund	Scattered Site Fund	Library Development Fund	Courthouse HVAC Project Fund	School Safety Project Fund	Financial Software Project Fund	Total
ASSETS											
Current Assets:											
Cash and cash equivalents	\$ 184,275	\$ 131,767	\$ 39,898	\$ 37,425	\$ -	\$ -	\$ -	\$ 13,967	\$ -	\$ 195,365	\$ 602,697
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	-	-	-	-
Taxes receivable	65,869	-	-	-	-	-	-	-	-	-	65,869
Accounts receivable	30,134	-	-	-	-	-	-	-	74,264	-	104,398
Notes Receivable	-	-	124,078	-	-	-	-	-	-	-	124,078
Total assets	<u>\$ 280,278</u>	<u>\$ 131,767</u>	<u>\$ 163,976</u>	<u>\$ 37,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 74,264</u>	<u>\$ 195,365</u>	<u>\$ 897,042</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 1,836	\$ 21,683	\$ -	\$ -	\$ 321	\$ -	\$ -	\$ -	\$ 74,264	3,841	\$ 101,945
Due to other funds	-	-	-	-	11,336	1,367	38,885	13,967	-	-	65,555
Total liabilities	<u>1,836</u>	<u>21,683</u>	<u>-</u>	<u>-</u>	<u>11,657</u>	<u>1,367</u>	<u>38,885</u>	<u>13,967</u>	<u>74,264</u>	<u>3,841</u>	<u>167,500</u>
DEFERRED INFLOWS OF RESOURCES	<u>65,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,869</u>
Fund balances:											
Restricted:											
Stabilization by State Statute	30,134	-	-	-	-	-	-	-	-	-	30,134
Public Safety	182,439	110,084	-	-	-	-	-	-	-	-	292,523
Economic Development	-	-	163,976	-	-	-	-	-	-	-	163,976
General Government	-	-	-	37,425	-	-	-	-	-	191,524	228,949
Unassigned	-	-	-	-	(11,657)	(1,367)	(38,885)	-	-	-	(51,909)
Total fund balances	<u>212,573</u>	<u>110,084</u>	<u>163,976</u>	<u>37,425</u>	<u>(11,657)</u>	<u>(1,367)</u>	<u>(38,885)</u>	<u>-</u>	<u>-</u>	<u>191,524</u>	<u>663,673</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 280,278</u>	<u>\$ 131,767</u>	<u>\$ 163,976</u>	<u>\$ 37,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,967</u>	<u>\$ 74,264</u>	<u>\$ 195,365</u>	<u>\$ 897,042</u>

Caswell County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds				Capital Project Funds						
	Special Fire Tax District	Emergency Telephone System Fund	Revolving Loan Fund	Equipment and Automation Fund	Special Grant Fund	Scattered Site Fund	Library Development Fund	Courthouse HVAC Project Fund	School Safety Project Fund	Financial Software Project	Total
REVENUES											
Ad Valorem Taxes	\$ 904,819	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 904,819
Other Taxes and License	3,732	-	-	-	-	-	-	-	-	-	3,732
Restricted intergovernmental	-	278,380	7,178	-	-	-	-	-	875,128	-	1,160,686
Investment earnings	-	1,124	-	82	-	-	64	-	-	-	1,270
Contributions	-	-	-	-	421,525	-	34,827	-	-	-	456,352
Total revenues	<u>908,551</u>	<u>279,504</u>	<u>7,178</u>	<u>82</u>	<u>421,525</u>	<u>-</u>	<u>34,891</u>	<u>-</u>	<u>875,128</u>	<u>-</u>	<u>2,526,859</u>
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	-	160,055	160,055
Public Safety	861,751	157,281	-	-	-	-	-	-	-	-	1,019,032
Economic Development	-	-	-	-	585,873	-	-	-	-	-	585,873
Education	-	-	-	-	-	-	-	-	452,228	-	452,228
Cultural and Recreational	-	-	-	-	-	-	98,141	-	-	-	98,141
Total expenditures	<u>861,751</u>	<u>157,281</u>	<u>-</u>	<u>-</u>	<u>585,873</u>	<u>-</u>	<u>98,141</u>	<u>-</u>	<u>452,228</u>	<u>160,055</u>	<u>2,315,329</u>
Revenues over (under) Expenditures	<u>46,800</u>	<u>122,223</u>	<u>7,178</u>	<u>82</u>	<u>(164,348)</u>	<u>-</u>	<u>(63,250)</u>	<u>-</u>	<u>422,900</u>	<u>(160,055)</u>	<u>211,530</u>
OTHER FINANCING SOURCES (USES)											
Transfers- in											
General Fund	31,500	-	-	-	-	-	350,000	-	-	351,579	733,079
Transfers-out											
General Fund	-	-	-	-	-	-	-	(13,967)	(422,900)	-	(436,867)
Loan proceeds	-	-	-	-	-	-	-	-	-	-	13,150,000
Total other financing sources (uses)	<u>31,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>(13,967)</u>	<u>(422,900)</u>	<u>351,579</u>	<u>13,446,212</u>
Change in Fund Balances	78,300	122,223	7,178	82	(164,348)	-	286,750	(13,967)	-	191,524	13,657,742
Fund Balance- July 1	134,273	(12,139)	12,686	37,343	152,691	(1,367)	(325,635)	13,967	-	-	11,819
Prior Period Adjustment	-	-	144,112	-	-	-	-	-	-	-	144,112
Fund Balance- June 30	<u>\$ 212,573</u>	<u>\$ 110,084</u>	<u>\$ 163,976</u>	<u>\$ 37,425</u>	<u>\$ (11,657)</u>	<u>\$ (1,367)</u>	<u>\$ (38,885)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,524</u>	<u>\$ 13,813,673</u>

Caswell County, North Carolina
Special Fire District Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2020
With Comparative Actual Amounts For The Year Ended June 30, 2019

	2020			2019
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Actual</u>
<u>REVENUES</u>				
Ad valorem taxes	\$ 865,806	\$ 904,819	\$ 39,013	\$ 880,496
Other taxes				
Sales taxes	6,250	3,732	(2,518)	5,555
Total	<u>872,056</u>	<u>908,551</u>	<u>36,495</u>	<u>886,051</u>
<u>EXPENDITURES</u>				
Public Safety				
Sales tax distribution	6,250	3,378	2,872	5,554
Caswell Fire District	41,821	51,556	(9,735)	35,555
Travel	1,500	1,500	-	1,500
Aid to volunteer fire departments	823,985	674,963	149,022	702,532
Rescue operations	30,000	30,000	-	30,000
Fire tax balance	-	100,354	(100,354)	77,074
Total Expenditures	<u>903,556</u>	<u>861,751</u>	<u>41,805</u>	<u>852,215</u>
Revenues Over (Under) Expenditures	(31,500)	46,800	78,300	33,836
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds				
General Fund	31,500	31,500	-	31,500
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>31,500</u>	<u>31,500</u>	<u>-</u>	<u>31,500</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	78,300	<u>\$ 78,300</u>	65,336
Fund Balance, Beginning		<u>134,273</u>		<u>68,937</u>
Fund Balance, Ending		<u>\$ 212,573</u>		<u>\$ 134,273</u>

Caswell County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for the Year ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental revenues:				
PSAP Funds	\$ 259,576	\$ 278,380	\$ 18,804	\$ 103,699
Investment earnings	-	1,124	1,124	2,238
Total Revenues	<u>259,576</u>	<u>279,504</u>	<u>19,928</u>	<u>105,937</u>
<u>EXPENDITURES</u>				
Public Safety:				
Salaries	54,041	-	54,041	-
Telephone	25,000	23,936	1,064	22,501
Maintenance and repairs	38,000	75,990	(37,990)	19,257
Small tools/ equipment	53,500	8,408	45,092	48,217
Other expenses	83,000	48,947	34,053	34,839
Capital Outlay	6,035	-	6,035	9,000
Total	<u>259,576</u>	<u>157,281</u>	<u>102,295</u>	<u>133,814</u>
Total Expenditures	<u>259,576</u>	<u>157,281</u>	<u>102,295</u>	<u>133,814</u>
Revenues over (under) expenditures	<u>-</u>	<u>122,223</u>	<u>122,223</u>	<u>(27,877)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds				
General Fund	-	-	-	-
Transfers to other funds				
General Fund	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures	<u>\$ -</u>	<u>122,223</u>	<u>\$ 122,223</u>	<u>(27,877)</u>
Fund balance, beginning		<u>(12,139)</u>		<u>15,738</u>
Fund balance, ending		<u>\$ 110,084</u>		<u>\$ (12,139)</u>

Caswell County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Budget	Actual		Actual
Explanation for transfers				
Transfers to adjust beginning balance to actual		\$ -		\$ -
Transfer to repay General Fund for expense paid		\$ -		\$ -

Emergency Telephone System Unspent Balance

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

Net Change in Fund Balance, reported on Budget to Actual	\$ 122,223
Plus: Transfers from General Fund to adjust fund balance to the proper beginning balance	
Less: Accrual Differences	39,382
Plus: Grant Expenditure - Capital Outlay	-
Net Change per PSAP Revenue- Expenditure Report	161,605
Beginning Balance, PSAP Revenue- Expenditure Report	-
Ending Balance, PSAP Revenue- Expenditure Report	\$ 161,605

Caswell County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental revenues:				
USDA Rural Development Business Grant	\$ 150,000	\$ -	\$ (150,000)	\$ -
Loan Repayment	-	27,212	27,212	2,951
Miscellaneous income	5,760	-	(5,760)	-
Total Revenues	155,760	27,212	(128,548)	2,951
<u>EXPENDITURES</u>				
Economic Development	155,760		155,760	-
Revenues over (under) expenditures	-	27,212	27,212	2,951
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	-	-	-	-
Total Other Financing Sources (uses)	-	-	-	-
Net change in fund balance	\$ -	27,212	\$ 27,212	2,951
Reconciling items:				
Debt payments are reclassified against accounts receivable balance		20,034		-
Total Reconciling items		20,034		-
Current year change in fund balance		47,246		2,951
Fund balance, beginning		12,686		9,735
Prior Period Adjustment (see Note IX)		144,112		-
Fund balance, ending		\$ 204,044		\$ 12,686

Caswell County, North Carolina
Equipment and Automation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For the Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Interest on investments	\$ -	\$ 82	\$ 82	\$ 275
<u>EXPENDITURES</u>				
General government				
Equipment	-	-	-	-
Revenues over (under) expenditures	-	82	82	275
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	82	<u>\$ -</u>	\$ 275
Fund balance, beginning		<u>37,343</u>		<u>37,068</u>
Fund balance, ending		<u>\$ 37,425</u>		<u>\$ 37,343</u>

Caswell County, North Carolina
Special Grant Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Contributions					
Business Incubator Project	\$ -	\$ 2,953	\$ -	\$ 2,953	\$ 2,953
Danville Regional Foundation	416,525	25,000	416,525	441,525	25,000
Piedmont Electric Helping Hands	10,000	10,000	-	10,000	-
Other Funding	350,000	-	5,000	5,000	(345,000)
Total Revenues	776,525	37,953	421,525	459,478	(317,047)
<u>EXPENDITURES</u>					
Economic Development					
Professional Services	-	8,500	8,500	17,000	(17,000)
Electricity	-	1,269	3,965	5,234	(5,234)
Water/Sewer	-	-	172	172	(172)
Advertising	-	265	-	265	(265)
Acquisition of Property	300,000	295,953	-	295,953	4,047
Admin/Engineer/Archit	115,000	-	57,274	57,274	57,274
Environ & Other Testing	-	-	10,433	10,433	(10,433)
Building Renovation	535,525	-	505,529	505,529	29,996
Plumbing/HVAC/Elec	49,000	-	-	-	49,000
Environmental and Other Fees	-	2,500	-	2,500	(2,500)
Total expenditures	999,525	308,487	585,873	894,360	105,165
Revenues over (under) expenditures	(223,000)	(270,534)	(164,348)	(434,882)	(211,882)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from other funds					
General Fund	300,000	300,000	-	300,000	-
Transfer to other funds					
General Fund	(77,000)	-	-	-	77,000
Appropriated fund balance	-	-	-	-	-
Total other financing sources	223,000	300,000	-	300,000	77,000
Excess of Revenues and Other Sources					
over (under) Expenditures and other uses	\$ -	\$ 29,466	(164,348)	\$ (134,882)	\$ (134,882)
Fund balance, beginning			152,691		
Fund balance, ending			\$ (11,657)		

Caswell County, North Carolina
Scattered Site Fund
Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Community Development Block Grant					
2011 Scattered Site	\$ 400,000	\$ 292,078	\$ -	\$ 292,078	\$ (107,922)
2010 Single Family Rehab	200,000	244,187	-	244,187	44,187
2013 Single Family Rehab	170,000	99,620	-	99,620	(70,380)
2016 Single Family Rehab	175,000	443,748	-	443,748	268,748
Investment earnings	-	102	-	102	102
Total Revenue	<u>945,000</u>	<u>1,079,735</u>	<u>-</u>	<u>1,079,735</u>	<u>134,735</u>
<u>EXPENDITURES</u>					
Economic and physical development					
Community development block grant					
2011 Scattered site					
Administration		19,854	-	19,854	
Rehabilitation		272,500	-	272,500	
Total	<u>400,000</u>	<u>292,354</u>	<u>-</u>	<u>292,354</u>	<u>107,646</u>
2010 Single Family Rehab					
Administration		38,357	-	38,357	
Rehabilitation		207,503	-	207,503	
Total	<u>200,000</u>	<u>245,860</u>	<u>-</u>	<u>245,860</u>	<u>(45,860)</u>
2013 Single Family Rehab					
Administration		1,700	-	1,700	
Rehabilitation		97,922	-	97,922	
Total	<u>170,000</u>	<u>99,622</u>	<u>-</u>	<u>99,622</u>	<u>70,378</u>
2016 Single Family Rehab					
Administration		144,655	-	144,655	
Rehabilitation		299,093	-	299,093	
Total	<u>175,000</u>	<u>443,748</u>	<u>-</u>	<u>443,748</u>	<u>(268,748)</u>
Total Expenditures	<u>945,000</u>	<u>1,081,584</u>	<u>-</u>	<u>1,081,584</u>	<u>(136,584)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,849)</u>	<u>-</u>	<u>\$ (1,849)</u>	<u>\$ (1,849)</u>
Fund balance, beginning			(1,367)		
Fund balance, ending			<u>\$ (1,367)</u>		

Caswell County, North Carolina
Library Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Golden Leaf Foundation	\$ 700,200	\$ 700,200	\$ -	\$ 700,200	\$ -
Danville Regional Foundation	455,000	455,000	-	455,000	-
Cannon Grant	75,000	75,000	-	75,000	-
Other Contributions	205,345	108,181	34,827	143,008	(62,337)
Investment earnings	-	378	64	442	442
Total Revenue	<u>1,435,545</u>	<u>1,338,759</u>	<u>34,891</u>	<u>1,373,650</u>	<u>(61,895)</u>
Expenditures:					
Cultural and Recreational					
Admin and Engineering	188,974	188,328	646	188,974	-
Building Renovation	-	47,272	-	47,272	(47,272)
New Construction	2,423,002	2,278,235	97,495	2,375,730	47,272
Fixtures and Equipment	168,800	168,799	-	168,799	1
Parking Lot	-	-	-	-	-
Contingency	-	-	-	-	-
Total	<u>2,780,776</u>	<u>2,682,634</u>	<u>98,141</u>	<u>2,780,775</u>	<u>1</u>
Revenues over (under) expenditures	<u>(1,345,231)</u>	<u>(1,343,875)</u>	<u>(63,250)</u>	<u>(1,407,125)</u>	<u>(61,894)</u>
Other Financing Sources (Uses)					
Transfer from General Fund	350,000	-	350,000	350,000	-
Loan proceeds	<u>995,231</u>	<u>995,231</u>	<u>-</u>	<u>995,231</u>	<u>-</u>
Total other financing sources	<u>1,345,231</u>	<u>995,231</u>	<u>350,000</u>	<u>1,345,231</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ (348,644)</u>	286,750	<u>\$ (61,894)</u>	<u>\$ (61,894)</u>
Fund balance, beginning			<u>(325,635)</u>		
Fund balance, ending			<u>\$ (38,885)</u>		

Caswell County, North Carolina
Courthouse HVAC Project
Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-	-
Expenditures:						
Economic and physical development						
Courthouse HVAC						
Administration	74,000	-	-	-	-	74,000
Other Legal and Fiscal Cost	27,965	-	-	-	-	27,965
Other Tools and Equipment	-	-	-	-	-	-
Construction Phase	869,068	-	-	-	-	869,068
Total	971,033	-	-	-	-	971,033
Revenues over (under) expenditures	(971,033)	-	-	-	-	971,033
Other Financing Sources (Uses)						
Transfer to General Fund	(13,967)	-	(13,967)	13,967	-	-
Loan Proceeds	985,000	-	-	-	-	985,000
Total other financing sources	971,033	-	(13,967)	13,967	-	985,000
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	(13,967)	\$ 13,967	\$ -	\$ 1,956,033
Fund balance, beginning			13,967			
Fund balance, ending			\$ -			

Caswell County, North Carolina
School Safety Project Fund
Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

		Actual				
	Project Authorization	Prior Years	Current Year	Closed Out Project	Total to Date	Variance Positive (Negative)
Revenues:						
Lottery Proceeds	\$ 1,527,422	\$ -	\$ 875,128	\$ -	\$ 875,128	\$ 652,294
Investment Earnings	-	-	-	-	-	-
Total Revenue	<u>1,527,422</u>	<u>-</u>	<u>875,128</u>	<u>-</u>	<u>875,128</u>	<u>652,294</u>
Expenditures:						
Education						
School Security						
Design	-	-	6,975	-	6,975	(6,975)
Vestibules	1,031,522	-	262,191	-	262,191	769,331
Renovation	73,000	-	183,062	-	183,062	(110,062)
Total	<u>1,104,522</u>	<u>-</u>	<u>452,228</u>	<u>-</u>	<u>452,228</u>	<u>652,294</u>
Revenues over (under) expenditures	<u>422,900</u>	<u>-</u>	<u>422,900</u>	<u>-</u>	<u>422,900</u>	<u>1,304,588</u>
Other Financing Sources (Uses)						
Transfer to Other Funds	<u>(422,900)</u>	<u>-</u>	<u>(422,900)</u>	<u>-</u>	<u>(422,900)</u>	<u>-</u>
Total other financing sources	<u>(422,900)</u>	<u>-</u>	<u>(422,900)</u>	<u>-</u>	<u>(422,900)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,304,588</u>
Fund balance, beginning			<u>-</u>			
Fund balance, ending			<u>\$ -</u>			

Caswell County, North Carolina
Financial Software Project
Schedule of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-
Expenditures:					
General Government					
Third Party Services	1,650	-	-	-	1,650
Consultant Travel	49,320	-	-	-	49,320
SAAS & Application Services	273,129	-	151,490	151,490	121,639
Supporting Software	-	-	3,254	3,254	(3,254)
Supporting Hardware	-	-	5,311	5,311	(5,311)
Contingency	27,480	-	-	-	27,480
Total	351,579	-	160,055	160,055	191,524
Revenues over (under) expenditures	(351,579)	-	(160,055)	(160,055)	191,524
Other Financing Sources (Uses)					
Transfer from General Fund	351,579	-	351,579	351,579	-
Total other financing sources	351,579	-	351,579	351,579	-
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ -	191,524	\$ 191,524	\$ 191,524
Fund balance, beginning			-		
Fund balance, ending			\$ 191,524		

ENTERPRISE FUNDS

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

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

Caswell County, North Carolina
Solid Waste Management Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020
With Comparative Amounts For The Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Charges for service - user fees		\$ 547,842		\$ 408,798
Tire disposal tax		32,200		32,354
White goods disposal		-		4,944
Solid waste disposal tax		20,396		19,558
Tipping fees		223,965		135,763
Recycling		5,395		12,735
Interest on investments		1,270		2,529
FEMA Reimbursement		30,273		-
Miscellaneous Revenue		-		1,217
Total Revenues	<u>\$ 814,153</u>	<u>861,341</u>	<u>\$ 47,188</u>	<u>617,898</u>
EXPENDITURES				
Operations				
Salaries		168,561		146,198
Other expenses		1,041,850		827,153
FEMA expenses		-		25,463
Capital Outlay		94,569		77,408
Total expenditures	<u>956,794</u>	<u>1,304,980</u>	<u>(348,186)</u>	<u>1,076,222</u>
Revenues over (under) expenditures	<u>(142,641)</u>	<u>(443,639)</u>	<u>(300,998)</u>	<u>(458,324)</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	142,641	-	(142,641)	-
Transfer from other funds	-	155,000	155,000	-
Total other financing sources (uses)	<u>142,641</u>	<u>155,000</u>	<u>12,359</u>	<u>-</u>
Revenues over (under) other financing sources (uses)	<u>\$ -</u>	<u>(288,639)</u>	<u>\$ (288,639)</u>	<u>(458,324)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling Items:				
Depreciation		(39,973)		(39,058)
Capital Outlay		67,362		29,117
Change in deferred outflows of resources - pensions		3,919		(9,001)
Change in deferred outflows of resources - OPEB		(21,928)		3,458
Change in net pension liability		3,221		11,276
Change in net OPEB liability		27,540		166
Change in deferred inflows of resources - pensions		672		(197)
Change in deferred inflows of resources - OPEB		(1,065)		2,056
Change in accrued vacation payable		3,186		(1,729)
Total reconciling items		<u>42,934</u>		<u>(3,912)</u>
Change in net position		<u>\$ (245,705)</u>		<u>\$ (462,236)</u>

Caswell County, North Carolina
Caswell Department of Transportation Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020
With Comparative Amounts For The Year Ended June 30, 2019

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
REVENUES				
Changes for service- user fees	\$ 556,320	\$ 491,353	\$ (64,967)	\$ 553,662
Interest on investment	200	857	657	1,706
CARES Act Funding	121,593	54,596	(66,997)	-
Miscellaneous	-	-	-	-
Total Revenues	<u>678,113</u>	<u>546,806</u>	<u>(131,307)</u>	<u>555,368</u>
EXPENDITURES				
Administration				
Salaries	82,955	101,098	(18,143)	89,928
Other expenses	81,588	71,757	9,831	76,538
Total	<u>164,543</u>	<u>172,855</u>	<u>(8,312)</u>	<u>166,466</u>
Operations				
Salaries	203,869	200,394	3,475	188,978
Other expenses	121,552	62,128	59,424	83,820
Capital outlay	121,593	151,561	(29,968)	192,470
Total	<u>447,014</u>	<u>414,083</u>	<u>32,931</u>	<u>465,268</u>
Total Expenditures	<u>611,557</u>	<u>586,938</u>	<u>24,619</u>	<u>631,734</u>
Revenues over (under) expenditures	<u>66,556</u>	<u>(40,132)</u>	<u>(106,688)</u>	<u>(76,366)</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	71,444	-	(71,444)	-
Sale of capital assets	18,000	19,596	1,596	-
Total other financing sources (uses)	<u>89,444</u>	<u>19,596</u>	<u>(69,848)</u>	<u>-</u>
Revenues over (under) other financing sources (uses)	<u>\$ 156,000</u>	<u>(20,536)</u>	<u>\$ (176,536)</u>	<u>(76,366)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Reconciling Items:				
Capital Outlay		151,305		192,470
Depreciation		(88,477)		(62,193)
Change in deferred outflows of resources - pensions		6,858		(15,748)
Change in deferred outflows of resources - OPEB		(17,426)		2,749
Change in net pension liability		5,636		19,728
Change in net OPEB liability		21,886		132
Change in deferred inflows of resources - pensions		1,175		(345)
Change in deferred inflows of resources - OPEB		(846)		1,633
Change in accrued vacation payable		(451)		1,379
Total reconciling items		<u>79,660</u>		<u>139,805</u>
Change in net position		<u>\$ 59,124</u>		<u>\$ 63,439</u>

AGENCY FUND

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

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

Caswell County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Social Service Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 23,694	\$ 220,708	\$ 211,924	\$ 32,478
Liabilities				
Accounts Payable	\$ 23,694	\$ 220,708	\$ 211,924	\$ 32,478
<u>Drug Fund</u>				
Assets				
Cash and cash equivalents	\$ 6,041	\$ 15,001	\$ 16,000	\$ 5,042
Liabilities				
Miscellaneous Liabilities	\$ 6,041	\$ 15,001	\$ 16,000	\$ 5,042
<u>Fines and Forfeitures and Floodplain Mapping Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	2,596	74,803	73,807	3,592
Total	\$ 2,596	\$ 74,803	\$ 73,807	\$ 3,592
Liabilities				
Fines for Forfeitures due to others	\$ 2,595	\$ 62,837	\$ 62,166	\$ 3,266
Floodplain mapping fees due to others	170	6,551	6,326	395
ROD deed of trust fees due to others	(169)	2,437	2,627	(359)
Archives/Cultural fees due to others	-	2,978	2,688	290
Total	\$ 2,596	\$ 74,803	\$ 73,807	\$ 3,592
<u>Property Tax Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ (16,173)	\$ 442,557	\$ 424,657	\$ 1,727
Liabilities				
Intergovernmental payable	\$ (16,173)	\$ 442,557	\$ 424,657	\$ 1,727
<u>Total- All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 13,562	\$ 678,266	\$ 652,581	\$ 39,247
Accounts Receivable	2,596	74,803	73,807	3,592
Total Assets	\$ 16,158	\$ 753,069	\$ 726,388	\$ 42,839
Liabilities				
Accounts payable	\$ 29,735	\$ 235,709	\$ 227,924	\$ 37,520
Intergovernmental Payable	(13,577)	517,360	498,464	5,319
Total Liabilities	\$ 16,158	\$ 753,069	\$ 726,388	\$ 42,839

OTHER SCHEDULES

This scheulde contains additonal information required on property taxes

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

Caswell County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

Exhibit F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2020	\$ -	\$ 12,388,812	\$ 12,215,303	\$ 173,509
2019	151,192	2,932	70,035	84,089
2018	84,274	2,184	28,881	57,577
2017	57,264	1,622	14,488	44,398
2016	42,790	-	9,250	33,540
2015	42,158	-	7,262	34,896
2014	55,572	-	8,298	47,274
2013	52,171	-	6,119	46,052
2012	40,376	-	4,666	35,710
2011	39,507	-	3,903	35,604
2010	30,524	-	30,524	-
Totals	\$ <u>595,828</u>	\$ <u>12,395,550</u>	\$ <u>12,398,729</u>	<u>592,649</u>
Less Allowance for Doubtful Accounts				<u>(412,000)</u>
Taxes Receivable (Net)				\$ <u>180,649</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund		\$ 12,618,569		
Interest /penalties/adjustments		<u>(189,316)</u>		
			\$ 12,429,253	
Amounts written off for tax year 2009-2010 per statute of limitations			<u>(30,524)</u>	
Total Collections and Credits			\$ <u>12,398,729</u>	

Caswell County
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2020

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy County- Wide	<u>\$ 1,689,717,687</u>	0.735	<u>\$ 12,419,425</u>	<u>\$ 11,077,115</u>	<u>\$ 1,342,310</u>
Discoveries and Abatements	<u>(4,165,034)</u>	0.735	<u>(30,613)</u>	<u>(30,613)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 1,685,552,653</u></u>				
Net Levy			12,388,812	11,046,502	1,342,310
Uncollected taxes June 30, 2020			<u>173,509</u>	<u>173,509</u>	<u>-</u>
Current years taxes collected			<u><u>\$ 12,215,303</u></u>	<u><u>\$ 10,872,993</u></u>	<u><u>\$ 1,342,310</u></u>
Current levy collection percentage			<u><u>98.60%</u></u>	<u><u>98.43%</u></u>	<u><u>100.00%</u></u>

COMPLIANCE SECTION



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

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Caswell County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises Caswell County's basic financial statements, and have issued our report thereon dated June 18, 2021. Our report includes a reference to other auditors who audited the financial statements of Caswell County ABC Board, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Caswell County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2020-001, 2020-004] to be material weaknesses.

Members

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

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs [2020-002, 2020-003] to be significant deficiencies.

Compliance and Other Matters

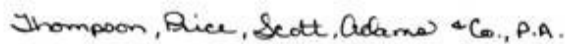
As part of obtaining reasonable assurance about whether Caswell County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Caswell County's Response to Findings

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

Purpose of this Report

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



Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 18, 2021



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major federal programs for the year ended June 30, 2020. Caswell County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2020-005 and 2020-006] that we consider to be significant deficiencies.

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Yanceyville, North Carolina
June 18, 2021

**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS**

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Caswell County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Caswell County's major state programs for the year ended June 30, 2020. Caswell County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Caswell County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-005, 2020-006] that we consider to be significant deficiencies.

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
June 18, 2021

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? X yes no
- Significant Deficiency(s) identified X yes none reported
- Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified X yes none reported
- Noncompliance material to federal awards yes X no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Section I. Summary of Auditors' Results (continued)

Internal control over major State programs:

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

Identification of major State programs:

Medical Assistance
Public School Building Capital Fund

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section II. Financial Statement Findings

Finding 2020-001

Reconciliation of Records

MATERIAL WEAKNESS

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

Condition: In reviewing records and testing, we noted that several balance sheet accounts were not adequately reconciled.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2019-001.

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

Recommendation: The finance office should ensure adequate staff training is available to teach staff the required balances that should be reconciled as part of year-end closing procedures. Year end entries should be made by the finance staff prior to the beginning of audit work. Management should consult with outside accountants if additional assistance is required to prepare for the annual audit.

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

Finding 2020-002

Deficit Fund Balances

SIGNIFICANT DEFICIENCY

Criteria: The County should maintain a positive fund balance in each of its funds.

Condition: The County had three funds with a negative fund balance: Scattered Grants Fund, Library Development Fund, and Special Grant Fund.

Effect: When the County has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures.

Cause: The County did not properly review the general ledger to ensure that appropriate transfers were budgeted and recorded to cover any cash deficits in the funds. It is understandable that a fund may show a deficit for a year as a result of timing differences, but after a year, those deficits should clear out.

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available to review budget to actual statements and make appropriate amendments and postings prior to year end.

Views of responsible officials: The County agrees with this finding. Management will dedicate resources accordingly to ensure that the Board has accurate information to base decisions on.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section II. Financial Statement Findings (continued)

Finding 2020-003

Prior Period Adjustment

SIGNIFICANT DEFICIENCY

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

Condition: The County recorded a prior period adjustment to properly reflect notes receivable associated with the revolving loan fund.

Effect: The financial statements had not been reflecting the balance owed to the County. This resulted in an increase in receivables and fund balance in the Revolving Loan Fund of \$144,112.

Cause: The County did not properly review the general ledger to ensure that the loan balances were properly managed.

Recommendation: Both of the outstanding loans are not current. Management needs to review the terms and amend the agreements accordingly to attempt to receive repayment of the loan balances.

Views of responsible officials: The County agrees with this finding. Management will review the loans and make recommendations to the Board as to whether the loans are collectible or not for future reporting purposes.

Finding 2020-004

Technical Expertise

MATERIAL WEAKNESS

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: The financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and Governmental Accounting Standards Board (GAAP) requires a certain level of technical expertise. Due to staff changes in the finance office, suitable skill, knowledge, and experience to assume the management responsibilities, oversee and evaluate the services performed, and accept responsibility for the results of the services must be developed.

Effect: Misstatements of financial statements could result.

Cause: The finance officer retired before the audit was completed. Additional training is needed to ensure that the County personnel possess required technical expertise to oversee the financial statement preparation process.

Recommendation: The County should seek out training for the financial staff. Until training can be completed, the County should exercise due care in reviewing the financial statements drafted by the external auditor as the County is responsible for the accuracy of the audited financial statement.

Views of responsible officials: The County agrees with this finding. The County is searching for training and assistance. The County will exercise due care in reviewing the financial statements. The County acknowledges and accepts responsibility for the accuracy of the audited financial statements. The County did contract with a third-party CPA firm to assist in reviewing the audited financial statements and proposed adjustments.

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medicaid Assistance Program (Medicaid; Title XIX)

CFDA# 93.778

Finding 2020-005

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There was one error discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Cause:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of Responsible officials and corrective action plans:	The County agrees with the finding. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and calculations. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section III. Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding 2020-006

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were twenty-five errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of Responsible officials and corrective action plans:	The County agrees with the finding. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and calculations. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations.

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA #: 93.778

SIGNIFICANT DEFICENCY: Finding 2020-005 and 2020-006 also applies to State requirements and State Awards.

**CASWELL COUNTY**

144 Court Square, Yanceyville, NC 27379

www.caswellcountync.gov

336/694-4193

**Corrective Action Plan
For the Year Ended June 30, 2020**

Section II - Financial Statement Findings

Finding: 2020-001**Reconciliation of Records**

Name of contact person: Bryan Miller, County Manager

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

Proposed Completion Date: June 30, 2021

Finding: 2020-002**Deficit Fund Balances**

Name of contact person: Bryan Miller, County Manager

Corrective Action: The Finance Officer will review the budget more closely to ensure that funds are available for anticipated expenditures. If expenditures are going to exceed the budget, amendments will be made to ensure budget is available to cover the expenditures.

Proposed Completion Date: June 30, 2021

Finding: 2020-003**Prior Period Adjustment**

Name of contact person: Bryan Miller, County Manager

Corrective Action: The Finance Officer will review the financials closely to ensure that all funds are properly presented.

Proposed Completion Date: June 30, 2021

Finding: 2020-004**Technical Expertise**

Name of contact person: Bryan Miller, County Manager

Corrective Action: The County is looking for training or assistance for the finance staff. The County will exercise due care in reviewing the financial statements. The County acknowledges and accepts responsibility for the accuracy of the audited financial statements. The County has hired a third-party CPA firm to assist in reviewing the financial statements and proposed journal entries.

Proposed Completion Date: As soon as possible



CASWELL COUNTY

144 Court Square, Yanceyville, NC 27379

www.caswellcountync.gov

336/694-4193

Corrective Action Plan For the Year Ended June 30, 2020

Section III - Federal Award Findings and Question Costs

Finding: 2020-005

Name of contact person: Mary Harrelson, Income Maintenance Supervisor

Corrective Action: The Child Support Enforcement Agency (IV-D) each case with dependent children must cooperate with IV-D unless there is good cause. County keyed a child support referral. On 12/22/20 eligibility workers refreshed on 4-D policy. Files will be reviewed internally to ensure proper information is in place and necessary procedures are followed after eligibility is determined and documented in case notes. Documentation will clearly state what actions were performed and the outcome of those actions. The County has developed a verification check list sheet to ensure all criteria has been met according to policy of the state.

Proposed Completion Date: On 12/22/2020 All Eligibility participated in refresher training on Child Support referral policy. Refresher training will be on an ongoing basis during county's required weekly unit meetings along with Training in the NCFast Learning Gateway as available.

Finding: 2020-006

Name of contact person: Mary Harrelson, Income Maintenance Supervisor

Corrective Action: Caseworkers participated in refresher training on MAF Manual-Section 3300 and refresher classes in the Learning Gateway on MAGI income. We have enacted a verification check list to ensure internal audit errors are caught through random second party reviews and making sure complete documentation expresses effectively what and why an action was taken to support the outcome of a case.

Proposed Completion Date: On 12/22/2020, a refresher training was completed on Medicaid for Family and Children. Additional safeguards, of using the verification checklist, began at the beginning of 2021 when completing second party reviews.

Section IV - State Award Findings and Question Costs

Corrective Action for Finding 2020-005 and 2020-006 also apply to the State Award findings.

CASWELL COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

Finding: 2019-01
Status: Repeat as finding 2020-001

Finding: 2019-02
Status: Corrected

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Asst. Prg.	10.561		\$ 170,761	\$ -	\$ -	\$ 170,761
Passed-through N.C. Dept. of Health and Human Services: Division of Public Health: Special Supplemental Nutrition Program for Women, Infants and Children	10.557		115,088	-	-	-
Total U.S. Dept. of Agriculture			285,849	-	-	170,761
<u>U.S. Department of Housing & Urban Development</u>						
Office of Public and Indian Housing Lower Income Housing Assistance Program Section 8 Housing Voucher Program	14.871		1,096,807	-	-	-
Total U.S. Dept. of Housing & Urban Development			1,096,807	-	-	-
<u>US Department of Justice</u>						
Victims of Crime Act	16.575		85,952	-	-	-
Total of US Department of Justice			85,952	-	-	-
<u>U.S. Department of Transportation</u>						
Passed through the N.C. Department of Transportation Nonurbanized Area Formula Program	20.509	DOT-11 36233.19.17.1	17,988	1,124	-	-
Nonurbanized Area Formula Program	20.509	DOT-11 36233.19.18.1	65,988	4,124	-	-
Nonurbanized Area Formula Program	20.509	DOT-14 36233.19.18.3	121,803	15,225	-	-
Nonurbanized Area Formula Program	20.509	DOT-14 36233.19.18.4	2,484	310	-	-
Total Nonurbanized Area Formula Program			208,263	20,783	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT-14 51001.57.7.3	6,094	761	-	-
Total U. S. Department of Transportation			214,357	21,544	-	-
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		241,538	-	-	-
Total U.S. Department of Treasury			241,538	-	-	-
<u>Institute of Museum & Library Services</u>						
Passed through Department of Natural and Cultural Resources State Library of North Carolina LSTA Grants	45.310		1,764	-	-	-
LSTA COVID-29 Response Grant	45.310		1,000	-	-	-
Total of Institute of Museum & Library Services			2,764	-	-	-
<u>US Dept. of Health and Human Services</u>						
Passed-through Piedmont Triad Regional Council of Governments: Division of Aging and Adult Services: <u>Aging Cluster:</u>						
Special Programs for the Aging Title IIIB	93.044		18,858	1,109	-	-
Grants for Supportive Services and Senior Centers						
Special Programs for the Aging Title IIIC	93.045		161,027	9,450	-	-
Nutrition Services						
Nutrition Services Incentive Program	93.053		29,447	-	-	-
Total Aging Cluster			209,332	10,559	-	-
Family Caregiver Giver IIIE	93.052		7,919	528	-	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Temporary Assistance Needy Family Cluster						
Division of Social Services:						
TANF - Work First	93.558		301,351	-	-	231,202
Division of Public Health						
TANF - Work First	93.558		3,035	-	-	-
Total TANF Cluster			304,386	-	-	231,202
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E	93.658		125,252	19,045	-	83,978
Adoption Assistance	93.659		1,754	-	-	1,754
Foster Care	N/A		17,593	-	-	34,942
Total Foster Care and Adoption Cluster			144,599	19,045	-	120,674
Child Support Enforcement	93.563		326,519	(177)		168,383
Low-Income Home Energy Assistance:						
Administration	93.568		23,620	-	-	-
Energy Assistance	93.568		137,389	-	-	-
Crisis Intervention Program	93.568		112,521	-	-	-
Total Low-Income Energy Assistance			273,530	-	-	-
Permanency Planning - Families for Kids	93.645		6,620	-	-	2,207
Family Perservation	93.556		9,281	-	-	-
Chafee Foster Care Independence Program	93.674		3,407	776	-	-
SSBG - Other Service and Training	93.667		116,828	-	-	38,943
Division of Aging and Adult Services						
Social Service Block Grant	93.667		3,884	111		
Division of Social Services						
SSBG-Adult Protective Service	93.667		17,634	-	-	-
CPS TANF TO SSBG	93.667		35,578	-	-	-
SSBG - State In Home Service Fund	93.667		9,466	-	-	1,352
Total Social Service Block Grant			183,390	111	-	40,295
Passed-through the N.C. Dept. of Health and Human Services						
Division of Social Services:						
Subsidized Child Care Cluster						
Child Care Development Fund - Administration	93.596		79,273	-	-	-
Total Subsidized Child Care Cluster			79,273	-	-	-
Medical Assistance Program	93.778		650,839	12,256	-	275,015
State Children's Insurance Program NC Health Choice	93.767		8,376	23	-	417
Passed-through the N.C. Department of Health and Human Services						
Division of Public Health						
Hospital Preparedness Program (HPP) and Public Emerg	93.074		30,720	-	-	-
Preparedness (PHEP) Aligned Cooperative Agreements						
Project Grants and Cooperative Agreements for	93.116		50	-	-	-
Tuberculosis Control Programs						
Family Planning Services	93.217		38,083	-	-	-
Immunization Grants	93.268		8,598	-	-	-
COVID-19 - Public Health Emergency Response:	93.354		56,602	-	-	-
Cooperative Agreement for Emergency Response: Public						
Health Crisis Response						
Preventive Health Services - Sexually Transmitted	93.977		100	-	-	-
Diseases Control Grants						
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		30,661	12,126	-	-
Total U. S. Department of Health and Human Services			2,403,206	55,247	-	838,193

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>U.S. Dept. of Homeland Security</u>						
Passed through the NC Dept. of Public Safety						
Emergency Management Performance Grant	97.042		14,217	-	-	-
Total U.S. Dept. of Homeland Security			14,217	-	-	-
Total Federal Awards			\$ 4,344,690	\$ 76,791	\$ -	\$ 1,008,954
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food and Lodging Fees			\$ -	\$ 4,292	\$ -	\$ -
Aid to Counties			-	80,107	-	-
General Communicable Disease Control			-	10,911	-	-
Child Health			-	9,480	-	-
HIV/STD State			-	500	-	-
Gonorrhea Partner Services			-	179	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	895	-	-
School Nurse Funding Initiative			-	200,000	-	-
Family Planning - State			-	4,415	-	-
Maternal Health			-	14,995	-	-
Women's Health Service Fund			-	5,887	-	-
TB Control			-	2,199	-	-
Total for Division of Public Health			-	337,645	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	16,830	-	-
County Funded Programs			-	-	-	435,979
Energy Assist Private			-	4,130	-	-
Non-Allocating County Costs			-	-	-	169
Work First Non Reimbursable			-	-	-	756
SFHF Maximization			-	16,404	-	16,404
State Foster Home			-	19,198	-	19,198
Total for Division of Social Services			-	56,562	-	472,506
Passed-through Piedmont Triad Regional Council of Governments:						
Division of Aging and Adult Services:						
State Funds In Home Services			-	36,836	-	-
Home Delivered Meals			-	41,521	-	-
Senior Center Purpose			-	3,524	-	-
Total for Division of Aging and Adult Services			-	81,881	-	-
Total N.C. Dept. Health and Human Services			-	476,088	-	472,506
<u>N. C. Dept. of Environmental Quality</u>						
Division of Soil and Water Conservation						
Soil Technician Grant			-	25,163	-	-
Total N.C. Dept. of Environmental Quality			-	25,163	-	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP)						
- ROAP Elderly and Disabled Transportation Assistance Program	36220.10.9.1		-	55,012	-	-
- ROAP Rural General Public Program	36228.22.9.1		-	49,531	-	-
- ROAP Work First Transitional - Employment	36236.11.8.1		-	2,682	-	-
Total N.C. Dept. of Transportation			-	107,225	-	-
<u>N.C. Dept. of Public Safety</u>						
JCPC Programs		N/A	-	115,711	-	-
Total N.C Dept. of Public Safety			-	115,711	-	-
<u>N. C. Council for Women/Domestic Violence Commission</u>						
Domestic Violence			-	56,994	-	-
Marriage License			-	12,843	-	-
Family Violence			-	29,521	-	-
Total N.C. Council for Women/Domestic Violence Commission			-	99,358	-	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N. C. Department of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	83,271	-	-
Total N.C. Department of Cultural and Natural Resources			-	83,271	-	-
<u>N.C. Department of Insurance</u>						
SHIIP Grant				3,466		
Total N.C Department of Insurance			-	3,466	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund			-	3,415,245	-	-
Total N.C Department of Insurance			-	3,415,245	-	-
<u>N.C. Department of Information Technology</u>						
N.C. 911 Board Emergency PSAP Center Grant			-	157,281	-	-
Total N.C. Department of Public Safety			-	157,281	-	-
Total State Awards			-	4,482,808	-	472,506
Total Federal and State Awards			\$ 4,344,690	\$ 4,559,599	\$ -	\$ 1,481,460

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards (SEFSA) includes the Federal and State grant activity of Caswell County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Caswell County, it is not intended to and does not present the financial position, changes in nets assets or cash flows of Caswell County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women		\$ 250,494	\$ -
Infant and Children	10.557		
Food and Nutrition Services	10.551	6,121,817	
Medical Assistance Program	93.778	25,831,021	12,102,363
Children's Health Insurance Program	93.767	401,002	30,205
IV-E Adopt & Vendor	93.659	103,199	23,902
TANF Payments & Penalties	93.558	123,949	-
CWS Adopt, Vendor, Guard	N/A	426	26,726
SAA/SAD HB 1030	N/A	-	68
SC/SA Domiciliary Care	N/A	-	189,686

Note 6: Coronavirus Relief Funds

Caswell County received \$617,775 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$438,697 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Caswell County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.