



Board of Commissioners Agenda

Work Session

Historic Courthouse

May 5, 2025 at 5 p.m.

Welcome

1. Moment of Silent Prayer Chairman Yarbrough
2. Pledge of Allegiance
3. Public Comments

Each speaker will speak from the podium, and begin their remarks by giving their name and stating whether or not they are residents of the county. Comments will be directed to the full board. Speaker comments are limited to a maximum of three (3) minutes during the public comment period. Speakers must be courteous in their language and presentation. Personal attacks will not be tolerated. The Board of Commissioners or the Administration will not provide responses during Public Comments period or in the same meeting.

4. Recognitions

Agenda

5. Approval of Agenda Chairman Yarbrough

Presentation Items

6. Presentation of FY 2022-2023 Audit County Manager Whitaker
7. Presentation on Construction of Training Facility and Firing Range Sheriff Tony Durden
8. Presentation of the FY 2025-2026 Recommended Budget Renee Paschal

Discussion Items

9. Agreement with Caswell County Tourism Authority County Manager Whitaker
10. Discussion of Co-Square facility rental policy and fees County Manager Whitaker

Action Items

11. Appointment of Scott Whitaker as Caswell County Clerk to the Board County Manager Whitaker
12. Approval of contract with BioClean Restoration Inc. to renovate the Agricultural Building Kitchen County Manager Whitaker
13. Approval of Resolution and Agreement with JEB International (Cherokee Tobacco) for Economic Development Incentives County Manager Whitaker
14. Approval of Resolution and Agreement with Revision Solar for Economic Development Incentives County Manager Whitaker
15. Approval of revision to FY 26 Budget Calendar to set dates new dates for budget work sessions County Manager Whitaker
16. Motion to accept the resignation of Commissioner Rick McVey County Manager Whitaker

County Manager's Updates

County Attorney Updates

Commissioner Comments

Announcements and Upcoming Events

- May 15, 6 pm, Joint Meeting with Yanceyville and Milton, CoSquare
- May 19, 6:30 pm, Board of Commissioners Regular Meeting and Public Hearing on FY 2025-2026 Budget, Historic Courthouse
- June 2, 5 pm, Board of Commissioners Work Session, Historic Courthouse
- TBD Budget Work Sessions

Closed Session

To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and to consider and give instructions to attorney concerning the handling of a claim, which privilege is hereby acknowledged in NCGS 143-318.11 (a) (3).

Adjournment



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Presentation of FY 2023 Audit

BACKGROUND INFORMATION:

A representative from Thompson, Price, Scott, Adams & Co., P.A., Caswell County auditors, will present the FY 2022-2023 audit and their findings, which are detailed in the attached presentation, financial statements, and management letter.

RECOMMENDED ACTION/MOTION:

- Motion to accept the FY 2023 audit

FISCAL IMPACT:

ATTACHMENTS:

Audit Presentation

Draft 2023 Financial Statements (audit won't be finalized until the Local Government Commission approves it)

Audit Management Letter



CASWELL
COUNTY

CASWELL COUNTY



Presentation of Audit Results

Fiscal Year Ended
June 30, 2023



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Caswell County

Presentation Agenda

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

April 28, 2025

To the Board of Commissioners
Caswell County
Yanceyville, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Caswell County for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 19, 2024. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Caswell County are described in Note I to the financial statements. The County changed accounting policies related to Leases by adopting GASB Statement No.96, "Subscription Based Information Technology Arrangements," effective for fiscal year ending June 30, 2023. We noted no transactions entered into by Caswell County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representation

We have requested certain representations from management that are included in the management representation letter dated April 28, 2025.

Management Consultations with Other Independent Accountants

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

Other Auditing Findings or Issues

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

The audit report was not issued until 18 months until after the October 31, 2023 due date. The reasons for the delay are summarized in the findings issued in the report.

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

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

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

Efforts should be made to ensure that all negative fund balances are cleared up, and that all projects that have been completed are closed on the general ledger.

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

If transfers between funds are recorded, there should be available budget to reflect those transfers. Additionally, budget amendments should be recorded prior to expended funds (see Finding 2023-004).

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

Prior period adjustments were recorded to correct mis-postings from prior years. Details are provided in the notes as Finding 2023-003.

The County did not adopt a budget for several new funds and did not make budget amendments as needed throughout the year to cover expenses (see Finding 2023-004 and 2023-005). Additionally, our testing noted instances where the pre-audit procedures were not properly followed.

Adequate documentation was not obtained throughout the year to substantiate all transactions recorded for the year (see Finding 2023-006). Additionally, there were daily revenue collections that could not be traced to the general ledger or bank statement.

Two departments (Register of Deed and Inspections/Planning) were noted for not complying with the daily deposit general statutes. Collections in excess of \$500 shall be deposited daily (see Finding 2023-009)

Board approval was not obtained for tax releases and refunds (see Finding 2023-008), there was also one budget amendment in our sample of five that was missing board approval. Additionally, it was noted that the County has no formal policy for the journal entry review and approval process.

The County did not withhold FICA on retirement contributions (see Finding 2023-010).

The County's checks did not have the required pre-audit verbiage on the face of the check (see Finding 2023-011).

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

Other Matters

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

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

Restriction on Use

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

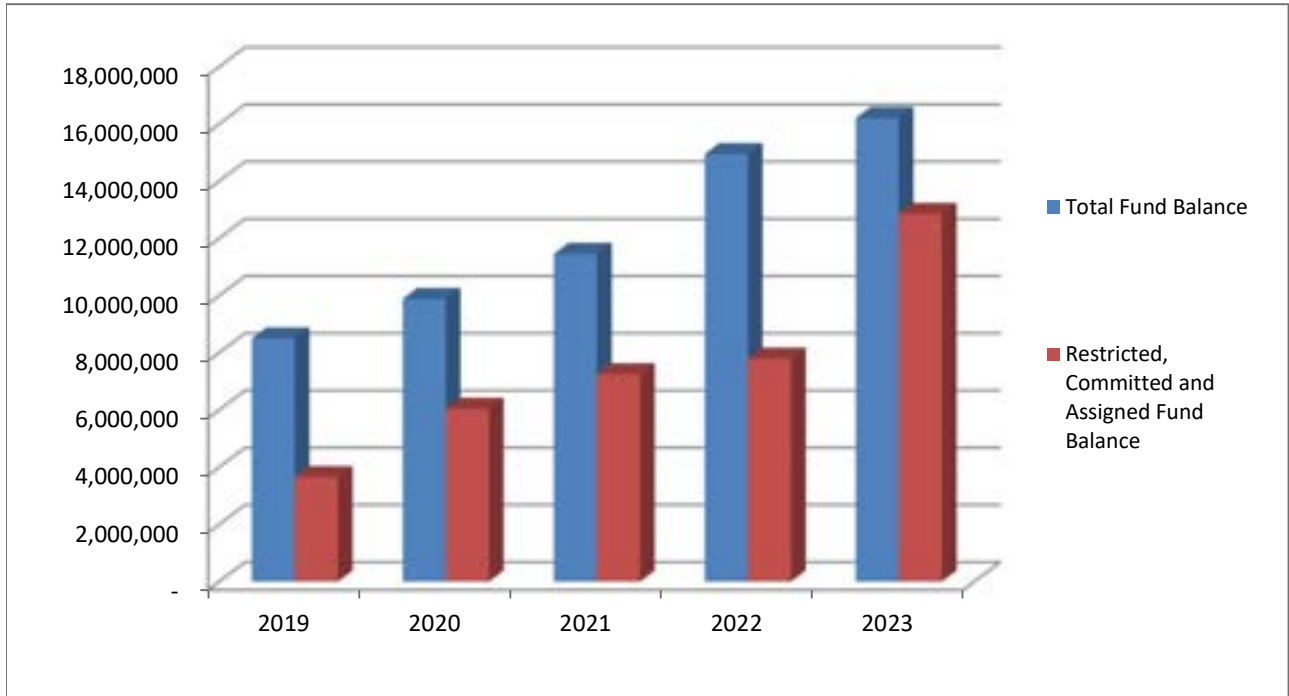
Very truly yours,

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

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

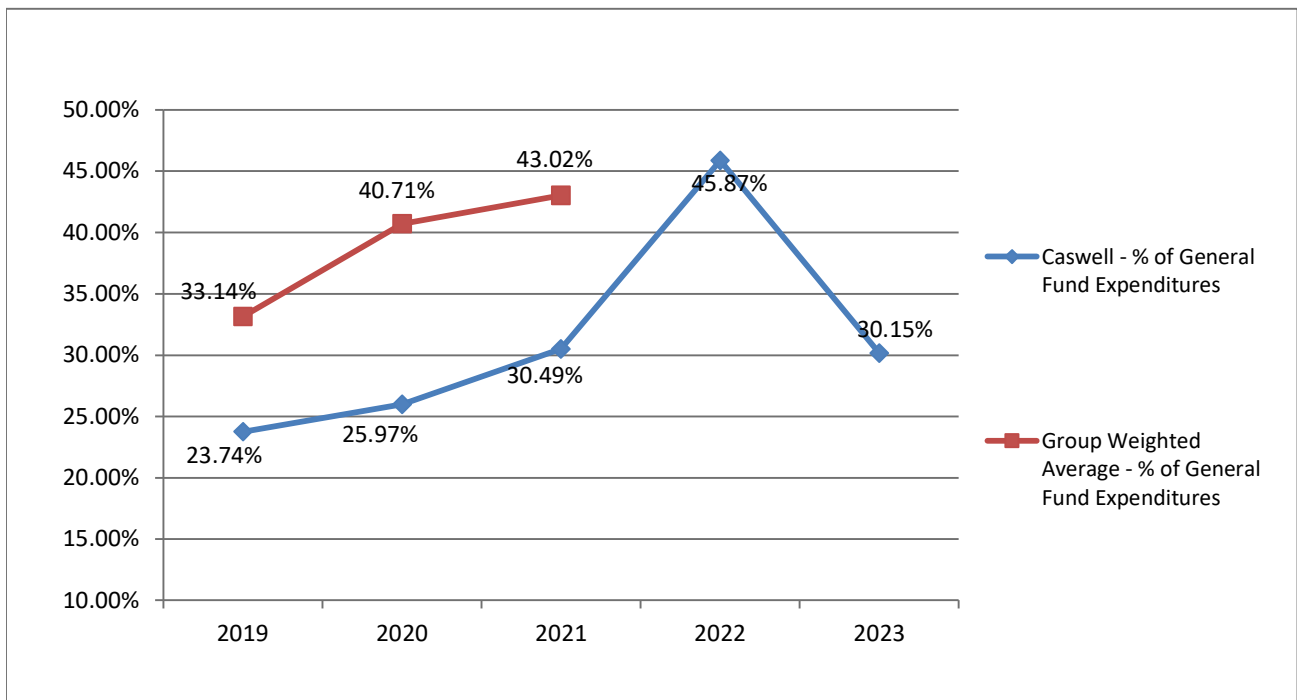
Caswell County					
FINANCIAL INFORMATION FOR 5 YEARS					
	2023	2022	2021	2020	2019
Total Fund Balance - General Fund	16,202,988	14,942,952	11,453,196	9,879,513	8,494,685
Unavailable Fund Balance - GF (Restricted for State Statute, Inventories, Prepaids, Lease)	7,050,813	3,649,395	3,074,907	2,490,362	2,202,655
Restricted, Committed, and Assigned Fund Balance (Previously Designated and Reserved Fund Balance)	12,853,000	7,792,382	7,246,447	6,037,355	3,647,188
General Fund Expenditures (including Transfers out, less new debt)	30,353,373	24,622,029	27,482,588	28,447,932	26,506,196
Fund Balance Available as % of General Fund Expenditures	30.15%	45.87%	30.49%	25.97%	23.74%
Unassigned Fund Balance (Previously Unreserved and Undesignated Fund Balance)	3,349,988	7,150,570	4,206,749	3,842,158	4,847,497
Unassigned Fund Balance as % of General Fund Expenditures (including Transfers out)	11.04%	29.04%	15.31%	13.51%	18.29%
Revenues over (under) expenditures before transfers					
General Fund	(412,352)	1,504,703	1,409,665	1,836,041	1,793,604
Other Governmental	402,194	(7,744,091)	(2,978,474)	393,302	(1,138,794)
Solid Waste Fund	74,244	458	(237,211)	(400,705)	(462,236)
Transportation Fund	(49,620)	133,649	39,122	39,528	63,222
Cash vs. Fund Balance (Net Position)					
Cash - General	11,056,035	13,313,818	9,583,145	6,468,345	7,028,841
Cash - Other Governmental	2,083,410	1,418,334	11,029,298	602,697	325,420
Cash - Solid Waste	-	-	-	-	83,505
Cash - Transportation	660,448	514,987	495,691	318,160	359,411
Fund Balance - General	16,202,988	14,942,952	11,453,196	9,879,513	8,494,685
Fund Balance - Other Governmental Funds	1,282,457	2,585,387	11,078,333	13,941,152	(42,474)
Net Position - Solid Waste	(80,065)	(143,282)	(146,466)	7,745	253,450
Net Position - Transportation	916,693	952,903	793,960	754,838	695,714
Property Tax Rates	0.735	0.735	0.735	0.735	0.709
Collection Percentages	98.59%	98.81%	98.78%	98.60%	98.73%
Collection Percentages (excluding Motor Vehicle)	98.39%	98.63%	98.61%	98.43%	98.57%
Total Property Valuation	1,769,308,110	1,757,693,234	1,711,373,877	1,689,717,687	1,673,424,683
Total Levy Amount	13,014,540	12,919,046	12,578,598	12,388,812	11,864,581
Breakdown of Debt (Excl Compensated Absences & OPEB)					
Governmental - General Obligation	12,764,000	-	-	201,769	413,539
Governmental - Leases	1,211,827	799,865	-	-	-
Governmental - IT Subscriptions	78,935	-	-	-	-
Governmental - Bond Anticipation Note	-	13,150,000	13,150,000	13,150,000	-
Governmental - Private Placement	2,325,000	3,029,000	3,609,000	4,265,000	4,921,000
Governmental - Installment Purchases	791,615	989,138	1,187,662	1,391,014	1,714,771
	17,171,377	17,968,003	17,946,662	19,007,783	7,049,310
Breakdown of General Fund Revenues					
Ad Valorem Taxes	13,102,954	12,928,113	12,840,795	12,618,569	12,225,306
Other Taxes, License & Permits	8,105,156	7,148,251	6,615,097	4,955,267	4,629,698
Intergovernmental Revenue	4,649,679	4,627,248	6,296,704	7,859,582	6,840,687
Sales and Services	3,509,999	3,800,913	2,837,293	2,133,779	2,622,749
Investment Earnings	395,940	22,481	4,327	86,505	139,922
Miscellaneous	36,937	83,766	75,818	119,936	47,834
Total	29,800,665	28,610,772	28,670,034	27,773,638	26,506,196
Breakdown of General Fund Expenditures					
General Government	5,002,513	4,056,449	4,676,780	3,501,661	3,198,714
Public Safety	10,596,412	9,061,794	7,738,147	7,540,235	6,809,574
Cultural & Recreational	858,239	780,346	649,284	684,761	736,062
Environmental Protection	120,729	113,328	110,726	108,546	104,969
Economic and Physical Development	734,726	701,354	671,692	576,438	499,647
Human Services	7,440,402	7,377,446	8,478,923	8,638,062	8,390,952
Education	3,608,018	3,702,276	3,720,008	3,511,195	3,491,195
Debt Service	1,851,978	1,313,076	1,215,017	1,376,699	1,466,969
Total	30,213,017	27,106,069	27,260,577	25,937,597	24,698,082

Caswell County Analysis of Fund Balance



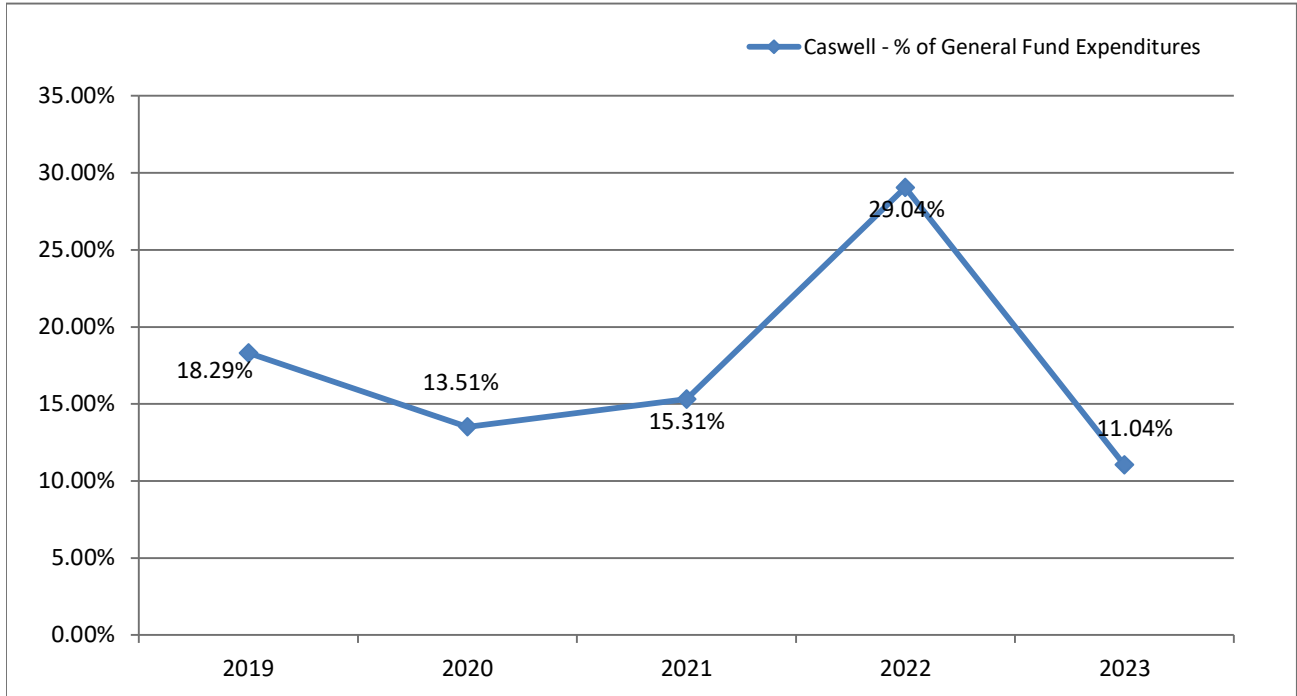
Caswell County Analysis of Fund Balance Available

(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



Caswell County

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



Caswell County

Analysis of Revenues Over (Under) Expenditures before Transfers

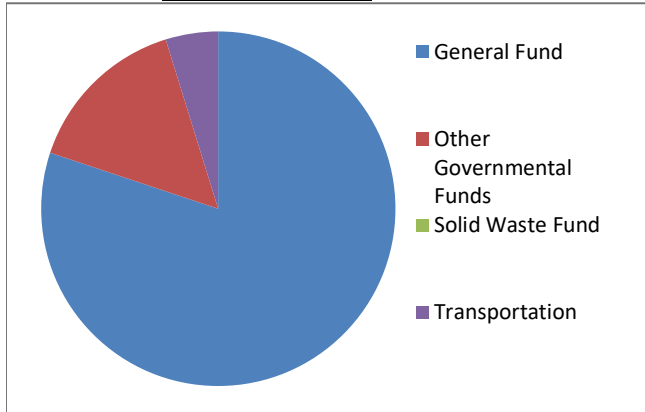


Caswell County

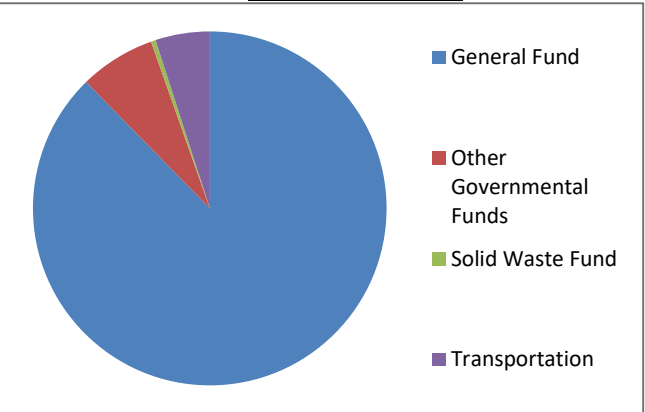
Analysis of Cash and Fund Balances

at June 30, 2023

CASH BALANCES



FUND BALANCES

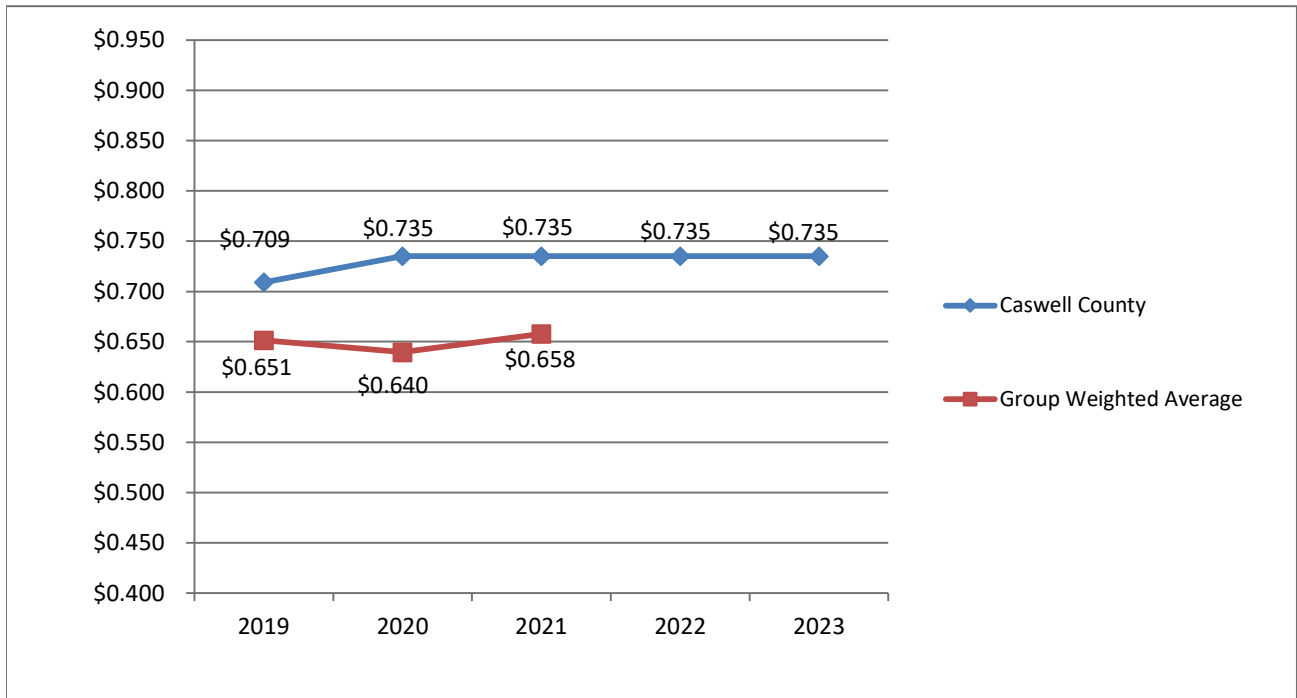


	2023	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 11,056,035	\$ 16,202,988
Other Governmental Funds	2,083,410	1,282,457
Solid Waste Fund	-	(80,065)
Transportation	660,448	916,693
Total	<u>\$ 13,799,893</u>	<u>\$ 18,322,073</u>

Caswell County

Property Tax Rates

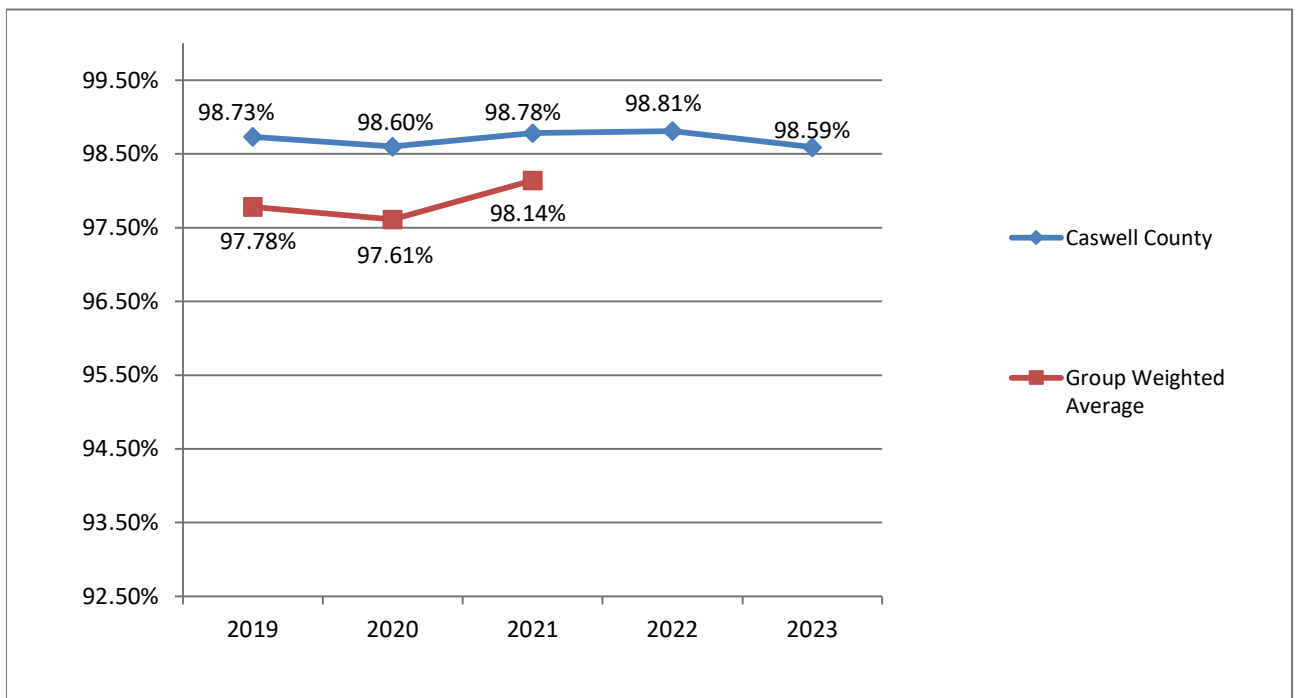
(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



Caswell County

Collection Percentages

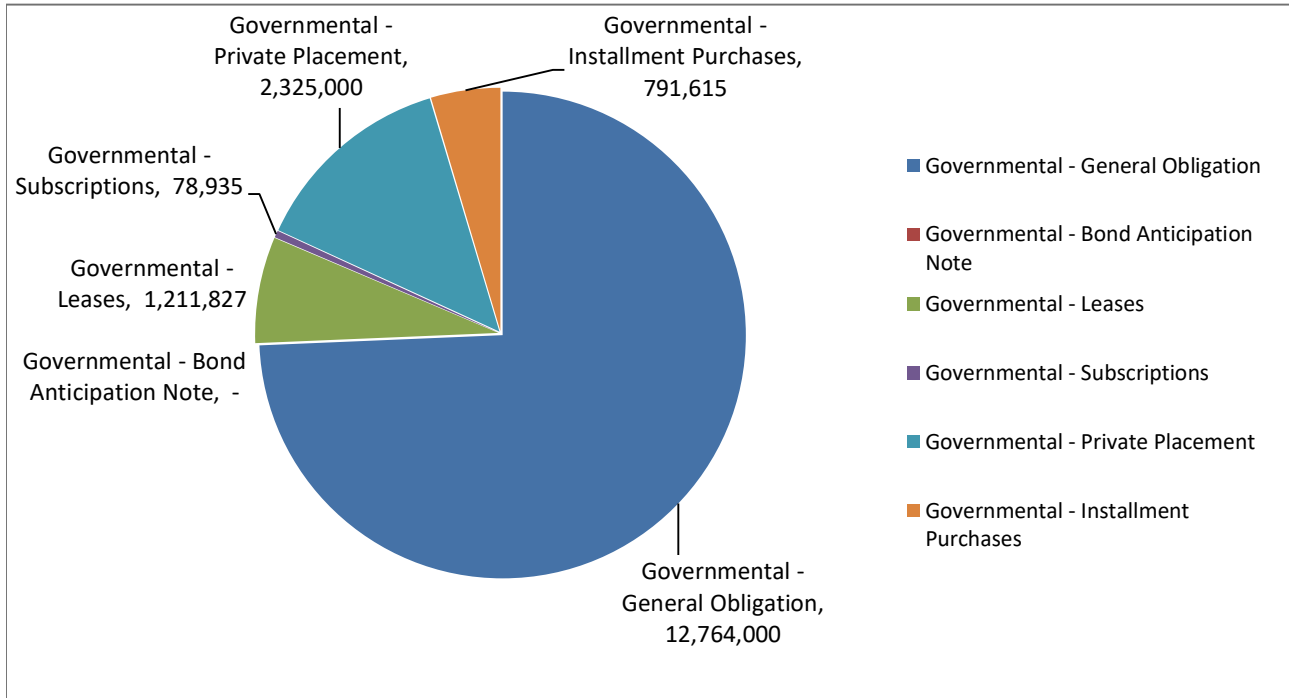
(Note - 2022 & 2023 Group Weighted Average Not Available at Date of Presentation)



Caswell County

Debt Analysis (excluding Compensated Absences & OPEB)

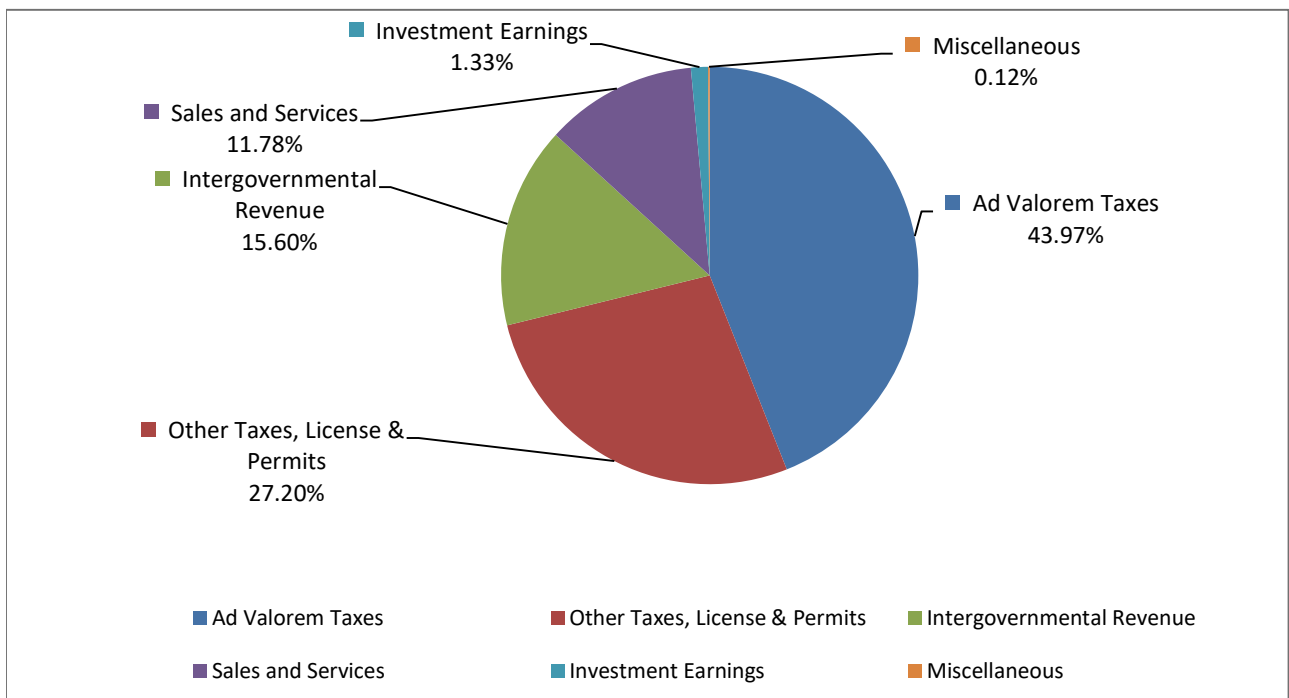
FYE June 30, 2023



Caswell County

Break Down of General Fund Revenue

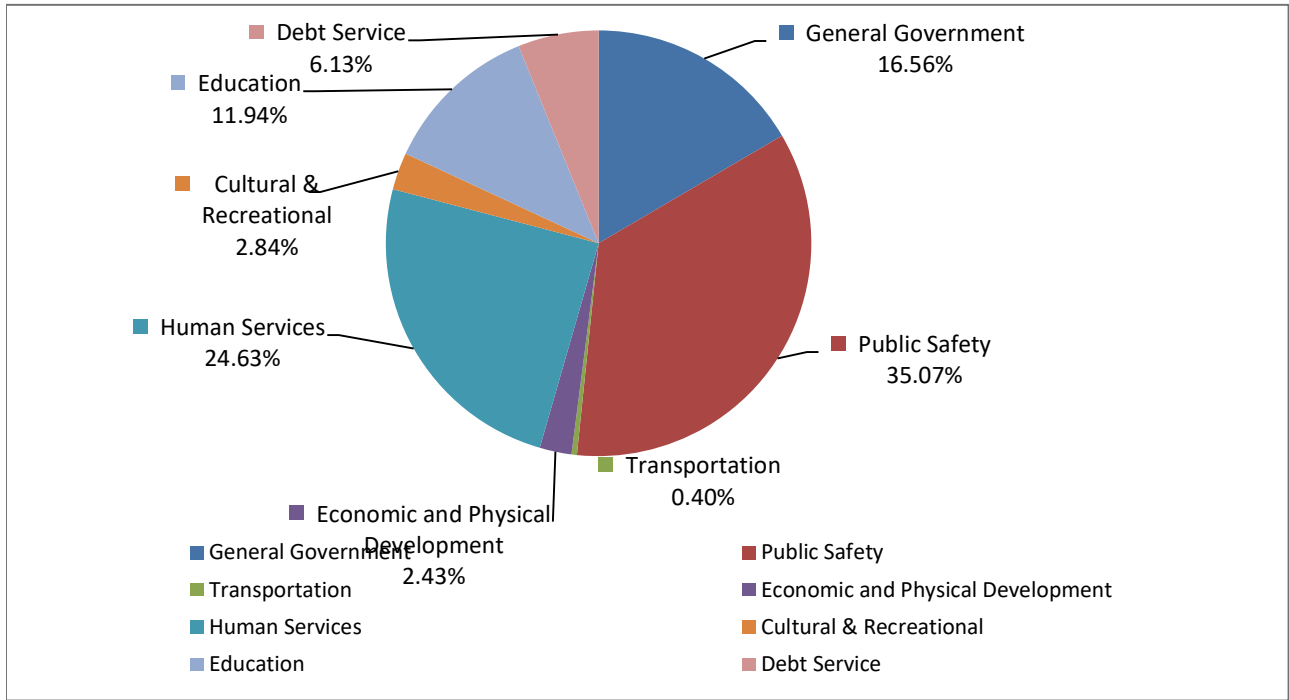
FYE June 30, 2023



Caswell County

Break Down of General Fund Expenditures

FYE June 30, 2023



ADDITIONAL REQUIRED COMMUNICATIONS

Changes to the Audit Process

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

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

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

Finding 2023-001 Reconciliation of Records

In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted timely to include cash, receivables, payables, and other balance sheet accounts. Additionally, during our testing of daily collections we had issues tracing collections to general ledger postings and the bank statement.

Finding 2023-002 Deficit Fund Balances

The County had three funds with a negative fund balance: Caswell Enterprise Center Fund, Family Services of Caswell Fund, and Solid Waste Fund.

Finding 2023-003 Prior Period Adjustments

An adjustment was recorded between the General Fund and Special Revenue Fund of \$430,105 to move expenses to the General Fund that were inadvertently left in the Special Revenue Fund. An additional adjustment to record unpaid payroll taxes in General Fund (\$97,602), Section 8 Housing Fund (\$984), Family Services Fund (\$1,385), Solid Waste (\$439) and Department of Transportation Fund (\$1,404); combined with an entry to correct accrued payroll in General Fund (\$804,492), Section 8 Housing Fund (\$8,768), Family Services Fund (\$10,441), Solid Waste (\$4,186) and Department of Transportation Fund (\$16,834). Adjustments of (\$3,593) and \$1,358 were made in the Fines and Forfeitures and Deed of Trust Fund, respectively to clean up expenses that were coded to the wrong fund. Also, (\$412,398) was recorded on the Governmental Activities to remove CIP. Total impact to the Governmental Activities was a decrease of \$1,338,886 and to Business-type activities a decrease of \$29,265.

Finding: 2023-004 Budget Violations

The budget was overspent in the following General Fund departments: Administration (\$124,003), Finance (\$13,206), Fleet Management (\$272,039); Sheriff (\$458,151), Jail (\$38,077), Inspections (\$19,192), Planning Board (\$33,755), DJJDP (\$86), Recreation (\$2,934), Debt Service (\$323,339). The following funds also reported expenditures in excess of appropriations: the Revaluation Fund (\$185,896), Special Fire District Fund (\$149,260), Economic Development/Tourism/Occupancy Tax (\$123,260), and the Representative Payee Fund (\$169,182). The bond anticipation payoff was not budgeted in the School Capital Project Fund (\$13,150,000). Additionally, transfers were made from the General Fund to the Family Services Fund (\$3,000) in excess of the budgeted amount.

Finding: 2023-005 Budget Violation

Estimated revenues and appropriations were not budgeted for several funds: Mini Grant Project Fund, Special Revenue Fund, Register of Deeds Remittance Fund, or the Caswell Enterprise Center Fund.

Finding: 2023-006 Late Submission of Audit

The report was not finalized until 18 months after the required due date of October 31, 2023.

Finding: 2023-007 Retention of Records (Lack of Internal Controls)

There were several tests performed as part of the audit process that the County was not able to provide adequate documentation to substantiate the postings. When performing Health Department testing, the County could not provide any record of internal monitoring performed during the year. For expenditure testing, the County was unable to provide support for one of the twenty-four transactions requested in our search for unrecorded payables, nine of the twenty-eight transactions requested for travel, two of the two transactions requested for miscellaneous expenses testing, eight of the seventeen transactions requested for professional fees and contract expense analysis, one item out of forty-nine transactions requested in credit card testing, and two of the seventy-one transactions requested for capital outlay testing. For the revenue testing, the County was unable to provide support for three of the twelve transactions requested for the US Marshals Service revenue testing.

Finding: 2023-008 Lack of Board Approval on Tax Releases and Refunds

The Board is not reviewing tax releases and refunds.

Finding: 2023-009 Daily Collections Not Deposited Timely

During our testing it was noted that the Inspections/Planning department was holding daily collections until Friday. Additionally, Register of Deeds had 1 deposits of 31 tested that were not deposited timely.

Finding: 2023-010 Lack of Internal Controls Around Payroll

During our testing of various payroll processes it was noted that deductions were not properly set up in the system and therefore payroll taxes were not properly calculated or paid.

Finding: 2023-011 Preaudit Verbiage Missing From Check Face

The County did not have the required preaudit certificate on the face of the checks.

ANNUAL FINANCIAL REPORT

CASWELL COUNTY, NORTH CAROLINA

FOR THE YEAR ENDED
June 30, 2023



*Prepared by the
Caswell County Finance Department*

Melissa Miller, Interim Finance Director

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

CASWELL COUNTY
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FINANCIAL SECTION

DRAFT



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements which collectively comprise Caswell County basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, and the Caswell County Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Caswell County ABC Board, which reflects 89 percent, 87 percent and 96 percent, respectively of the net assets, net position and revenues of the aggregate discretely presented component unit as of June 30, 2023, and the respective change in financial position, and where applicable, cash flows thereof for the year ended. Those 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General for the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Caswell County and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Caswell County ABC Board were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Audit of 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.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section 1

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Caswell County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercised professional judgment and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Caswell County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 11 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. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 April 28, 2025, 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.
Whiteville, NC
April 28, 2025

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, 2023. 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

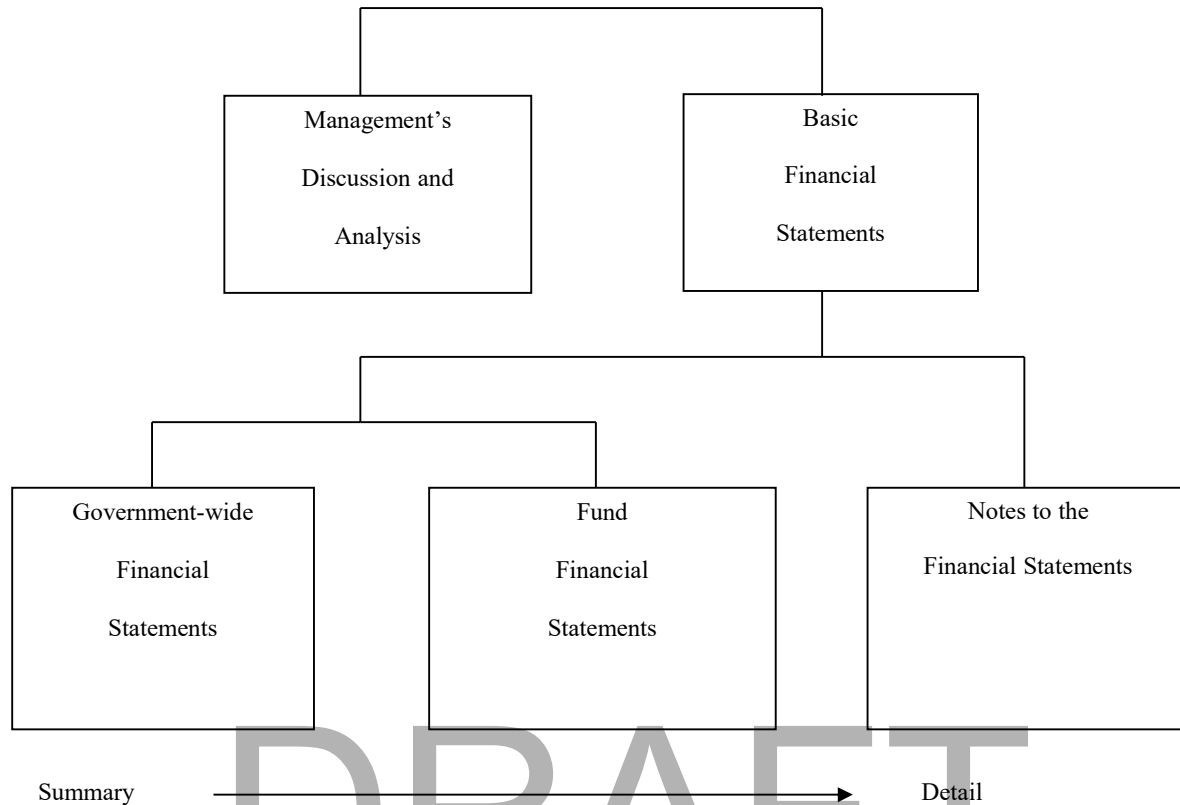
- The assets and deferred outflows of resources of Caswell County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,763,352 (net position).
- The total assets and deferred outflows of resources of Caswell County's governmental activities exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$16,926,724 (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 \$836,628 (net position).
- The government's current net position increased by \$2,040,833. This increase was a result of a increase of \$1,984,561 in governmental activities and an increase of \$56,272 in business-type activities. A prior period adjustment was recorded to correct CIP and payroll expenditures.
- As of the close of the current fiscal year, Caswell County's governmental funds reported combined ending fund balances of \$17,485,445; a decrease of \$42,894 in comparison to the prior year due to a prior period adjustment of \$925,908 exceeding current year increases in fund balance of \$883,014. Approximately 18.81 percent of this total amount or, \$3,288,945 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 \$3,349,988 or 11.04 percent of total general fund expenditures for the fiscal year.
- Caswell County's total debt decreased by \$875,561 or 4.87 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 98.59% as compared to 98.81% 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 and Tourism Development Authority (TDA) are 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 Caswell County Tourism Development Authority (TDA) is a legally separate entity. The County is financially accountable for the TDA as it derives its revenues through a special room occupancy tax authorized and revocable by the County Commissioners.

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 custodial 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 26 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 \$17,763,352 as of June 30, 2023. The County's net position increased by \$2,040,833, offset by a prior period adjustment of (\$1,368,151) for the fiscal year ended June 30, 2023. One of the largest portions, \$20,096,387 (113.13%) 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 \$10,922,793 (61.49%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$13,255,828 (-74.62%) is unrestricted.

Caswell County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 22,461,337	\$ 24,709,230	\$ 566,907	\$ 475,444	\$ 23,028,244	\$ 25,184,674
Capital assets	23,567,420	23,298,873	857,409	1,042,853	24,424,829	24,341,726
Total assets	46,028,757	48,008,103	1,424,316	1,518,297	47,453,073	49,526,400
Total deferred outflows of resources	6,147,765	4,550,129	175,304	141,175	6,323,069	4,691,304
Long-term liabilities outstanding	28,759,807	24,451,827	566,833	485,088	29,326,640	24,936,914
Other liabilities	4,741,505	8,029,123	129,475	250,969	4,870,980	8,280,092
Total liabilities	33,501,312	32,480,949	696,308	736,057	34,197,620	33,217,006
Total deferred inflows of resources	1,748,486	3,796,234	66,684	113,795	1,815,170	3,910,029
Net position:						
Net investment in capital assets	19,238,978	9,578,690	857,409	1,042,853	20,096,387	10,621,543
Restricted	10,922,793	9,421,488	-	-	10,922,793	9,421,488
Unrestricted	(13,235,047)	(2,719,129)	(20,781)	(233,233)	(13,255,828)	(2,952,361)
Total net position	\$ 16,926,724	\$ 16,281,049	\$ 836,628	\$ 809,621	\$ 17,763,352	\$ 17,090,670

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. Bond Anticipation Notes and General Obligation Bonds have been issued by the County to fund the majority of the costs of these assets.

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%
- Stronger than expected Sales Tax Revenues
- Infusion of American Rescue Plan Act (ARPA) funding and other grants
- Improved collections of emergency medical services charges by outside billing agency
- Decrease in expenses, specifically in education due to winding down of school construction projects.

Caswell County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,981,826	\$ 4,254,065	\$ 1,945,565	\$ 1,778,610	\$ 5,927,391	\$ 6,032,675
Operating grants and contributions	11,989,789	7,612,487	177,691	250,836	12,167,480	7,863,323
Capital grants and contributions	71,456	-	-	-	71,456	-
General revenues:						
Property taxes	14,090,752	14,041,954	-	-	14,090,752	14,041,954
Sales taxes	7,642,819	6,755,062	-	-	7,642,819	6,755,062
Other taxes	-	-	64,152	58,586	64,152	58,586
Other	689,386	205,364	31,668	12,880	721,054	218,244
Total revenues	38,466,028	32,868,932	2,219,076	2,100,912	40,685,104	34,969,844
Expenses:						
General government	5,926,057	5,130,191	-	-	5,926,057	5,130,191
Public safety	12,020,777	9,803,848	-	-	12,020,777	9,803,848
Environmental protection	157,031	75,518	-	-	157,031	75,518
Economic and physical development	1,330,847	662,011	-	-	1,330,847	662,011
Human services	9,848,522	8,783,103	-	-	9,848,522	8,783,103
Cultural and recreation	1,143,169	962,586	-	-	1,143,169	962,586
Education	5,655,976	12,007,200	-	-	5,655,976	12,007,200
Interest on long-term debt	399,088	49,811	-	-	399,088	49,811
Solid waste	-	-	1,484,578	1,439,712	1,484,578	1,439,712
Transportation	-	-	678,226	514,213	678,226	514,213
Total expenses	36,481,467	37,474,268	2,162,804	1,953,925	38,644,271	39,428,193
Increase in net position before transfers and special items	1,984,561	(4,605,336)	56,272	146,987	2,040,833	(4,458,349)
Transfers and special items	-	(18,140)	-	18,140	-	-
Increase in net position after transfers and special items	1,984,561	(4,623,476)	56,272	165,127	2,040,833	(4,458,349)
Net position, beginning	16,281,049	20,717,815	809,621	644,494	17,090,670	21,362,309
Net position, beginning, restated	14,942,163	20,904,525	780,356	644,494	15,722,519	21,549,019
Net position, ending	\$ 16,926,724	\$ 16,281,049	\$ 836,628	\$ 809,621	\$ 17,763,352	\$ 17,090,670

Governmental activities. Governmental activities increased the County's net position by \$1,984,561. Key elements of this increase are:

- Decreased expenditures related to the Bartlett Yancey High School Construction
- Increased revenues specifically from grant sources.

Business-type activities. Business-type activities increased Caswell County's net position by \$56,272. Key elements of this increase is primarily due to an increase in revenues (to include ARPA funding) that exceed increased expenses 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 \$9,152,245, while total fund balance reached \$16,202,988. 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 30.15%, while total fund balance represents 53.38% 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 11.04% of total General Fund expenditures, while total fund balance represents 51.78% of the same amount of expenditures. Fund balance for the General Fund increased \$2,592,236 over the prior year. Expenditures (including transfers) increased over the previous year by \$2,235,309. Several factors contributing to the increase mainly increases in payroll expenses for COLA adjustments and increased capital outlay to apply GASB 87 to new leases.

Revenues increased \$1,189,893 primarily due to an increase in ad valorem taxes and other taxes.

At June 30, 2023, the governmental funds of Caswell County reported a combined fund balance of \$17,485,445, a 5.32% percent decrease over the previous year. The primary reasons for this decrease was a prior period adjustment for accrued payroll wages and taxes.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the total budget by 2.82% or \$928,993. The largest changes involved general government, 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 (\$20,781) The total net position for the funds increased \$56,272. 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, 2023, totals \$24,492,602 (net of accumulated depreciation and amortization). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, vehicles and right to use assets.

Major capital asset acquired during the year include radios, ambulance, building improvements and the right to use assets due to the implementation of GASB 87.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 915,870	\$ 915,870	\$ 37,500	\$ 37,500	\$ 953,370	\$ 953,370
Construction in Progress	-	-	-	-	-	-
Buildings	14,966,660	15,583,394	13,941	15,211	14,980,601	15,598,605
Improvements	1,074,524	990,015	190,377	199,368	1,264,901	1,189,383
Equipment	1,831,803	1,023,343	300,677	349,263	2,132,480	1,372,606
Vehicles	742,343	814,723	314,914	441,511	1,057,257	1,256,234
Other Assets	2,474,608	2,626,100	-	-	2,474,608	2,626,100
Infrastructure	8,075	8,400	-	-	8,075	8,400
Right to Use Asset	1,553,537	924,050	-	-	1,553,537	924,050
Total	\$ 23,567,420	\$ 22,885,895	\$ 857,409	\$ 1,042,853	\$ 24,424,829	\$ 23,928,748

Additional information on the County's capital assets can be found in notes to the Financial Statements starting on page 38.

Long-term Debt. As of June 30, 2023, Caswell County had total bonded debt outstanding of \$15,089,000, the majority of which is backed by the full faith and credit of the County. \$13,050,000 is General Obligation Bonds for school construction.

Caswell County's Outstanding Debt
Figure 5

	Governmental Activities	
	2023	2022
Bonds	\$ 15,089,000	\$ 3,029,000
Bond Anticipation Note	-	13,150,000
Installment Purchases	791,615	989,138
Lease Liabilities	1,211,827	799,865
IT Subscription Liabilities	78,935	-
Total	\$ 17,171,377	\$ 17,968,003

Caswell County's total debt decreased by \$796,626 (4.43 percent) during the past fiscal year, due to the routine debt payments off setting new lease and IT liabilities resulting from the implementation of GASB 87 & 96.

The County does not have any publically traded bonds outstanding; therefore, there has been no rating assigned by S & P or Moody's.

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 \$124,192,191.

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, the same as the prior year. The Fire Service District also remained unchanged at 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 \$133 per household for FY24.
- Funds from the County's Occupancy Tax levy will be used to promote travel and tourism.

Budget Highlights for Fiscal Year Ending June 30, 2024

Government Activities

Property taxes and sales and use taxes distributions continue to be the primary sources of increase in revenues. The budget includes additional funding for education and economic development. With the construction of the new high school complete, the budget includes the first full year of debt service for the bonds approved by the voters. The FY23 budget includes additional appropriation of ARPA dollars to cover salary increases and reduce the reliance on fund balance in balancing the budget.

Business Type Activities

Solid Waste Management fund increased the annual rate to \$113 per household. The Solid Waste Fund has experienced an operating deficit since the fees were reduced and increased revenues are needed to help the fund become self-supporting.

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:

Melissa Miller
Interim Finance Director
Caswell County
144 Court Square
Yanceyville, NC 27373
(336) 933-4552
mmiller@caswellcountync.gov

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BASIC
FINANCIAL STATEMENTS

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GOVERNMENT-WIDE
FINANCIAL STATEMENTS

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Caswell County, North Carolina
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Caswell County Tourism Development Authority	Caswell County ABC Board
ASSETS					
Current assets:					
Cash and cash investments	\$ 10,414,582	\$ 660,448	\$ 11,075,030	\$ 75,414	\$ 565,522
Restricted cash and cash equivalents	2,724,863	-	2,724,863	-	-
Taxes receivable (net)	266,105	68,453	334,558	-	-
Accrued interest receivable on taxes	20,473	-	20,473	-	-
Accounts receivables (net)	6,423,681	97,486	6,521,167	54,567	-
Notes receivable	71,494	-	71,494	-	-
Leases receivable	47,410	-	47,410	-	-
Internal balances	259,480	(259,480)	-	-	-
Prepaid items	449,586	-	449,586	-	14,766
Inventories	-	-	-	-	323,233
Restricted opioid receivable	305,701	-	305,701	-	-
Total current assets	20,983,375	566,907	21,550,282	129,981	903,521
Non-Current Assets:					
Leases receivable, non-current	13,822	-	13,822	-	-
Opioid receivable - non-current, restricted	1,443,451	-	1,443,451	-	-
Net Pension Asset	20,689	-	20,689	-	-
Capital assets:					
Right to use assets, net	1,553,537	-	1,553,537	-	-
Land, improvements, and construction in progress	915,870	37,500	953,370	-	51,110
Other capital assets, net of depreciation	21,098,013	819,909	21,917,922	-	110,410
Total capital assets	23,567,420	857,409	24,424,829	-	161,520
Total non-current assets	25,045,382	857,409	25,902,791	-	161,520
Total assets	\$ 46,028,757	\$ 1,424,316	\$ 47,453,073	\$ 129,981	\$ 1,065,041
DEFERRED OUTFLOWS OF RESOURCES	\$ 6,147,765	\$ 175,304	\$ 6,323,069	\$ -	\$ 75,046
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,733,500	\$ 50,097	\$ 1,783,597	\$ -	\$ 158,551
Accrued wages payable	311,623	12,330	323,953	-	-
Unspent CARES Act Funding	725,000	-	725,000	-	-
Accrued interest payable	38,203	-	38,203	-	-
Long-term liabilities:					
Due within one year					
Bonds	981,000	-	981,000	-	-
Lease liabilities	468,624	-	468,624	-	-
IT liabilities	25,679	-	25,679	-	-
Installment obligations	197,523	58,259	255,782	-	-
Compensated absences	260,353	8,789	269,142	-	-
Due in more than one year					
Bonds	14,108,000	-	14,108,000	-	-
Lease liabilities	743,203	-	743,203	-	-
IT liabilities	53,256	-	53,256	-	-
Installment obligations	594,092	122,822	716,914	-	-
Compensated absences	781,059	26,367	807,426	-	10,033
Net Pension Liability (LGRS)	7,757,620	209,204	7,966,824	-	100,417
Total Pension Liability (LEOSSA)	1,239,287	-	1,239,287	-	-
Net OPEB Liability	3,483,290	208,440	3,691,730	-	-
Total long-term liabilities	30,692,986	633,881	31,326,867	-	110,450
Total liabilities	\$ 33,501,312	\$ 696,308	\$ 34,197,620	\$ -	\$ 269,001
DEFERRED INFLOWS OF RESOURCES	\$ 1,748,486	\$ 66,684	\$ 1,815,170	\$ -	\$ 430
NET POSITION					
Net investment in capital assets	\$ 19,238,978	\$ 857,409	\$ 20,096,387	\$ -	\$ 161,520
Restricted for:					
Register of deeds	71,414	-	71,414	-	-
Stabilization by state statute	6,887,662	-	6,887,662	54,567	-
Public Safety	624,895	-	624,895	-	-
Economic Development	197,992	-	197,992	75,414	-
Human Services	183,317	-	183,317	-	-
Education	2,957,513	-	2,957,513	-	-
Working Capital	-	-	-	-	91,875
Unrestricted (deficit)	(13,235,047)	(20,781)	(13,255,828)	-	617,261
Total net position	\$ 16,926,724	\$ 836,628	\$ 17,763,352	\$ 129,981	\$ 870,656

Caswell County, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Unit	
								Caswell County	Caswell County
Functions/Programs	Expenses	Charges for	Operating Grants	Capital Grants and	Governmental	Business-type	Total	Caswell County	Tourism
		Services	and Contributions	Contributions	Activities	Activities		ABC Board	Development
									Authority
Primary government:									
Governmental Activities:									
General government	\$ 5,926,057	\$ 427,643	\$ 2,787,480	\$ -	\$ (2,710,934)	\$ -	\$ (2,710,934)		
Public safety	12,020,777	1,633,895	1,356,720	12,000	(9,018,162)	-	(9,018,162)		
Environmental protection	157,031	-	25,653	-	(131,378)	-	(131,378)		
Economic and physical development	1,330,847	28,028	287,500	-	(1,015,319)	-	(1,015,319)		
Human services	9,848,522	1,759,030	7,363,942	-	(725,550)	-	(725,550)		
Cultural and recreation	1,143,169	72,685	168,494	59,456	(842,534)	-	(842,534)		
Education	5,655,976	60,545	-	-	(5,595,431)	-	(5,595,431)		
Interest on long-term debt	399,088	-	-	-	(399,088)	-	(399,088)		
Total governmental activities	36,481,467	3,981,826	11,989,789	71,456	(20,438,396)	-	(20,438,396)		
Business-type activities:									
Solid Waste	1,484,578	1,501,527	-	-	-	16,949	16,949		
Caswell Division of Transportation	678,226	444,038	177,691	-	-	(56,497)	(56,497)		
Total business-type activities	2,162,804	1,945,565	177,691	-	-	(39,548)	(39,548)		
Total primary government	\$ 38,644,271	\$ 5,927,391	\$ 12,167,480	\$ 71,456	(20,438,396)	(39,548)	(20,477,944)		
Component Units:									
Tourism Development Authority	\$ 1,277	\$ -	\$ -	\$ -				\$ -	\$ (1,277)
Caswell County ABC Board	3,035,860	3,086,266	-	-				50,406	-
Total component units	\$ 3,037,137	\$ 3,086,266	\$ -	\$ -				50,406	(1,277)
General revenues:									
Taxes:									
Property taxes, levied for general purpose					14,090,752	-	14,090,752	-	-
Local option sales tax					6,635,412	-	6,635,412	-	-
Other taxes and licenses					1,007,407	64,152	1,071,559	-	131,258
Investment earnings, unrestricted					397,284	-	397,284	46	-
Sale of assets					-	31,648	31,648	350	-
Miscellaneous, unrestricted					292,102	20	292,122	-	-
Transfers					-	-	-	-	-
Total general revenues, special items, and transfers					22,422,957	95,820	22,518,777	396	131,258
Change in net position					1,984,561	56,272	2,040,833	50,802	129,981
Net position-beginning					16,281,049	809,621	17,090,670	819,854	-
Prior Period Adjustment					(1,338,886)	(29,265)	(1,368,151)	-	-
Net position-beginning, restated					14,942,163	780,356	15,722,519	819,854	-
Net position-ending					\$ 16,926,724	\$ 836,628	\$ 17,763,352	\$ 870,656	\$ 129,981

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

FUND
FINANCIAL STATEMENTS

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Caswell County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

	Major Governmental			Non-Major Governmental Funds	Total Governmental Funds
	General Fund	School Capital Project Fund	Opioid Settlement Fund	Other Governmental Funds	
ASSETS					
Cash and cash equivalents	\$ 9,075,549	\$ -		\$ 1,339,033	\$ 10,414,582
Cash and cash equivalents-Restricted	1,980,486	-	144,377	600,000	2,724,863
Taxes Receivable	235,679	-	-	30,426	266,105
Accounts Receivable	3,023,633	3,153,550	-	246,498	6,423,681
Restricted Receivable - Opioid Settlement, net	-	-	1,749,152	-	1,749,152
Notes Receivable	-	-	-	71,494	71,494
Due from other funds	3,650,295	-	-	-	3,650,295
Lease Receivable	61,232	-	-	-	61,232
Prepaid Items	376,815	-	-	72,771	449,586
Total assets	<u>\$ 18,403,689</u>	<u>\$ 3,153,550</u>	<u>\$ 1,893,529</u>	<u>\$ 2,360,222</u>	<u>\$ 25,810,990</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,386,617	\$ -	\$ -	\$ 346,883	\$ 1,733,500
Accrued wages payable	304,055	-	-	7,568	311,623
Due to other funds	-	3,102,759	-	288,056	3,390,815
Unspent Grant Revenues	125,000	-	-	600,000	725,000
Total liabilities	<u>1,815,672</u>	<u>3,102,759</u>	<u>-</u>	<u>1,242,507</u>	<u>6,160,938</u>
Deferred inflows of resources					
Prepaid taxes	88,188	-	-	-	88,188
Reserve for taxes receivable	235,679	-	-	30,426	266,105
Leases	61,162	-	-	-	61,162
Opioid settlement receivables, net	-	-	1,749,152	-	1,749,152
Total deferred inflows of resources	<u>385,029</u>	<u>-</u>	<u>1,749,152</u>	<u>30,426</u>	<u>2,164,607</u>
Fund balances:					
Nonspendable:					
Prepaid items	376,815	-	-	72,771	449,586
Lease	70	-	-	-	70
Restricted:					
Stabilization by State statute	6,673,928	-	-	213,734	6,887,662
Register of Deeds	71,414	-	-	-	71,414
Education	2,906,722	50,791	-	-	2,957,513
General Government	-	-	-	-	-
Public Safety	-	-	-	624,895	624,895
Economic Development	-	-	-	197,992	197,992
Human Services	-	-	144,377	38,940	183,317
Cultural and Recreational	-	-	-	-	-
Committed:					
Tax Revaluation	249,616	-	-	-	249,616
LEO Separation	18,920	-	-	-	18,920
Assigned:					
Subsequent year's expenditures	2,555,515	-	-	-	2,555,515
Unassigned:	3,349,988	-	-	(61,043)	3,288,945
Total fund balances	<u>16,202,988</u>	<u>50,791</u>	<u>144,377</u>	<u>1,087,289</u>	<u>17,485,445</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,403,689</u>	<u>\$ 3,153,550</u>	<u>\$ 1,893,529</u>	<u>\$ 2,360,222</u>	<u>\$ 25,810,990</u>

Caswell County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2023

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

Total Fund Balance - Governmental Funds	\$ 17,485,445
Capital and right to use assets used in governmental activities are not financial	47,826,684
Less accumulated depreciation and amortization	(24,259,264)
Net capital assets	23,567,420
Net Pension Asset (Register of Deeds)	20,689
Deferred outflows of resources:	
Pension related deferrals	
LGERS	3,704,491
Register of Deeds	12,081
LEOSSA	256,621
OPEB related deferrals	649,265
Contributions to the pension plan in the current fiscal year (LGERS & ROD)	1,356,856
Benefit payments and pension administration costs for LEOSSA	74,598
Contributions to OPEB plan in the current fiscal year	93,853
Accrued interest receivable less the amount claimed as unearned revenue in the	20,473
Deferred inflows of resources reported in the government-wide statements but	
Deferred inflows of resources for taxes receivable	266,105
Deferred inflows of resources for opioid receivable	1,749,152
Pension related deferrals	
LGERS	(536,090)
Register of Deeds	(2,607)
LEOSSA	(187,658)
OPEB related deferrals	(872,781)
Liabilities that, because they are not due and payable in the current period, do	
Bonds, leases, and installment financing	(17,171,377)
Compensated absences	(1,041,412)
Net OPEB liability	(3,483,290)
Net pension liability - LGERS	(7,757,620)
Total Pension Liability (LEOSSA)	(1,239,287)
Accrued interest payable	(38,203)
Total adjustment	(558,721)
Net position of governmental activities	\$ 16,926,724

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major Governmental			Non-Major Governmental Funds	
	General Fund	School Capital Project Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 13,102,954	\$ -	\$ -	1,004,201	\$ 14,107,155
Other taxes and licenses	7,453,290	-	-	42,517	7,495,807
Restricted intergovernmental	4,468,304	-	144,377	5,250,120	9,862,801
Unrestricted intergovernmental	181,375	-	-	11,784	193,159
Permits and fees	651,866	-	-	161,661	813,527
Sales and services	3,509,999	-	-	61,029	3,571,028
Investment earnings	395,940	1,344	-	-	397,284
Miscellaneous	36,937	-	-	201,941	238,878
Total revenues	<u>29,800,665</u>	<u>1,344</u>	<u>144,377</u>	<u>6,733,253</u>	<u>36,679,639</u>
EXPENDITURES					
Current:					
General government	5,002,513	-	-	91,506	5,094,019
Public safety	10,596,412	-	-	1,803,447	12,399,859
Cultural and recreational	858,239	-	-	384	858,623
Environmental protection	120,729	-	-	-	120,729
Economic and physical development	734,726	-	-	497,731	1,232,457
Human Services	7,440,402	-	-	1,866,649	9,307,051
Intergovernmental:					
Education	3,608,018	1,987,413	-	60,545	5,655,976
Debt service:					
Principal	1,636,157	-	-	-	1,636,157
Interest	215,821	132,705	-	-	348,526
Debt issuance cost	-	36,400	-	-	36,400
Total expenditures	<u>30,213,017</u>	<u>2,156,518</u>	<u>-</u>	<u>4,320,262</u>	<u>36,689,797</u>
Revenues over expenditures	<u>(412,352)</u>	<u>(2,155,174)</u>	<u>144,377</u>	<u>2,412,991</u>	<u>(10,158)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	3,091,304	-	-	776,064	3,867,368
Transfers (out)	(1,079,888)	-	-	(2,787,480)	(3,867,368)
Sale of equipment	53,640	-	-	-	53,640
Payoff of refinanced debt	-	(13,150,000)	-	-	(13,150,000)
Lease liabilities issued	939,532	-	-	-	939,532
Issuance of debt	-	13,050,000	-	-	13,050,000
Total other financing sources and uses	<u>3,004,588</u>	<u>(100,000)</u>	<u>-</u>	<u>(2,011,416)</u>	<u>893,172</u>
Net change in fund balance	2,592,236	(2,255,174)	144,377	401,575	883,014
Fund balances-beginning	14,942,952	2,305,965	-	279,422	17,528,339
Prior Period Adjustment	(1,332,200)	-	-	406,292	(925,908)
Fund balances-ending	<u>\$ 16,202,988</u>	<u>\$ 50,791</u>	<u>\$ 144,377</u>	<u>1,087,289</u>	<u>\$ 17,485,445</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, 2023

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

Net changes in fund balances - total governmental funds	\$ 883,014
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,579,887
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	(1,527,849)
Net present value of the Right to Use Leased Assets are recorded in the fund statements but capitalized Right to Use Leased Assets in the statement of activities	1,150,777
Amortization expense, the allocation of those leased assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(521,290)
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	(13,989,532)
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	14,786,157
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,356,856
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	74,598
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	93,853
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(14,162)
Compensated absences	(542,926)
OPEB plan expense	(134,867)
Pension expense	(2,942,704)
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	(14,896)
Increase in deferred inflows of resources - Opioid settlement receivable - at end of	1,749,152
Increase in accrued interest receivable at end of year	(1,507)
Total changes in net position of governmental activities	<u>\$ 1,984,561</u>

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

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 13,175,756	\$ 13,175,756	\$ 13,102,954	\$ (72,802)
Other taxes and licenses	5,994,332	6,345,686	7,453,290	1,107,604
Restricted intergovernmental	5,022,173	5,463,755	4,468,304	(995,451)
Unrestricted intergovernmental	195,874	195,874	181,375	(14,499)
Permits and fees	540,528	540,528	651,866	111,338
Sales and services	2,507,370	2,783,156	3,509,999	726,843
Investment earnings	6,500	6,500	334,848	328,348
Miscellaneous	41,100	44,600	36,937	(7,663)
Total revenues	<u>27,483,633</u>	<u>28,555,855</u>	<u>29,739,573</u>	<u>1,183,718</u>
Expenditures				
Current:				
General government	4,647,551	4,651,051	4,786,617	(135,566)
Public safety	9,936,395	10,571,751	10,596,412	(24,661)
Environmental Protection	129,508	129,508	120,729	8,779
Economic and physical development	1,011,139	803,728	734,726	69,002
Human services	9,177,242	9,635,988	7,440,402	2,195,586
Cultural and recreational	843,517	882,319	858,239	24,080
Intergovernmental:				
Education	3,608,018	3,608,018	3,608,018	-
Debt service	1,528,639	1,528,639	1,851,978	(323,339)
Total expenditures	<u>30,882,009</u>	<u>31,811,002</u>	<u>29,997,121</u>	<u>1,813,881</u>
Revenues over (under) expenditures	<u>(3,398,376)</u>	<u>(3,255,147)</u>	<u>(257,548)</u>	<u>2,997,599</u>
Other financing sources (uses):				
Appropriated fund balance	1,764,004	1,972,129	-	(1,972,129)
Lease liability proceeds	-	-	939,532	939,532
Sale of equipment	-	-	53,640	53,640
Transfers from other funds	3,681,920	3,330,566	2,787,480	(543,086)
Transfers to other funds	(2,047,548)	(2,047,548)	(1,079,888)	967,660
Total other financing sources (uses)	<u>3,398,376</u>	<u>3,255,147</u>	<u>2,700,764</u>	<u>(554,383)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,443,216</u>	<u>\$ 2,443,216</u>
Fund balances:				
Beginning of year, July 1			<u>12,120,688</u>	
Prior period adjustment (see Note VIII)			<u>(1,332,200)</u>	
End of year, June 30			<u>\$ 13,231,704</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Revaluation Expense			(215,896)	
Transfer from General Fund			30,000	
Fund balance, beginning of year			<u>250,458</u>	
School Capital Reserve Fund				
Investment Earnings			61,092	
Transfers-in from Other Funds			273,824	
Fund Balance, Beginning			<u>2,571,806</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 16,202,988</u>	

Caswell County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Opioid Settlement Fund
For the Year Ended June 30, 2023

	Opioid Settlement Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ 144,377	\$ 144,377
Total revenues	-	-	144,377	144,377
Expenditures				
Current:				
Human services	-	-	-	-
Total expenditures	-	-	-	-
Revenues and Other Financing Sources over expenditures and othe financing uses	\$ -	\$ -	144,377	\$ 144,377
Fund balances:				
Beginning of year, July 1			-	
End of year, June 30			\$ 144,377	

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Caswell County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2023

	Major Solid Waste Management	Non-Major Caswell Department of Transportation	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 660,448	\$ 660,448
Taxes receivable (net)	68,453	-	68,453
Accounts receivable (net)	16,200	72,441	88,641
Due from other governments	-	8,845	8,845
Total current assets	<u>84,653</u>	<u>741,734</u>	<u>826,387</u>
Noncurrent assets:			
Capital assets:			
Land, improvements and construction in progress	37,500	-	37,500
Other capital assets, net of depreciation	458,120	361,789	819,909
Total capital assets	<u>495,620</u>	<u>361,789</u>	<u>857,409</u>
Total noncurrent assets	<u>495,620</u>	<u>361,789</u>	<u>857,409</u>
Total assets	<u>580,273</u>	<u>1,103,523</u>	<u>1,683,796</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>71,275</u>	<u>104,029</u>	<u>175,304</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current liabilities:			
Accounts Payable	42,292	7,805	50,097
Accrued Wages Payable	4,953	7,377	12,330
Compensated absences payable	4,305	4,484	8,789
Long term debt due in current year	58,259	-	58,259
Due to other funds	259,480	-	259,480
Total current liabilities	<u>369,289</u>	<u>19,666</u>	<u>388,955</u>
Noncurrent liabilities:			
Compensated absences	12,914	13,453	26,367
Other postemployment benefits	116,142	92,298	208,440
Net pension liability	76,087	133,117	209,204
Long term debt due in more than one year	122,822	-	122,822
Total noncurrent liabilities	<u>327,965</u>	<u>238,868</u>	<u>566,833</u>
Total liabilities	<u>697,254</u>	<u>258,534</u>	<u>955,788</u>
DEFERRED INFLOWS OF RESOURCES	<u>34,359</u>	<u>32,325</u>	<u>66,684</u>
NET POSITION			
Net investment in capital assets	495,620	361,789	857,409
Unrestricted	(575,685)	554,904	(20,781)
Total net position	<u>\$ (80,065)</u>	<u>\$ 916,693</u>	<u>\$ 836,628</u>

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

Caswell County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For The Year Ended June 30, 2023

	Major	Non-Major	
	Solid	Caswell	
	Waste	Department of	Totals
		Transportation	
Operating Revenues:			
Charges for Services	\$ 1,501,527	\$ 444,038	\$ 1,945,565
Total Operating Revenues	<u>1,501,527</u>	<u>444,038</u>	<u>1,945,565</u>
Operating Expenses:			
Administration			
Salaries	-	108,762	108,762
Other expenses	-	36,506	36,506
Operations:			
Salaries	228,656	269,643	498,299
Other Expenses	1,179,580	147,336	1,326,916
Depreciation	76,342	109,102	185,444
Total Expenditures	<u>1,484,578</u>	<u>671,349</u>	<u>2,155,927</u>
Operating income (loss)	<u>16,949</u>	<u>(227,311)</u>	<u>(210,362)</u>
Nonoperating Revenues (Expenses)			
Disposal Tax	64,152	-	64,152
Interest and other charges	(6,877)	-	(6,877)
CARES Act Funding	-	177,691	177,691
Miscellaneous Revenue	20	-	20
Total Nonoperating Revenues	<u>57,295</u>	<u>177,691</u>	<u>234,986</u>
Income (loss) before transfers	74,244	(49,620)	24,624
Gain (Loss) on disposal of assets	<u>-</u>	<u>31,648</u>	<u>31,648</u>
Change in Net Position	74,244	(17,972)	56,272
Total Net Position Beginning	<u>(143,282)</u>	<u>952,903</u>	<u>809,621</u>
Prior Period Adjustment (see Note VIII)	<u>(11,027)</u>	<u>(18,238)</u>	<u>(29,265)</u>
Total Net Position Beginning, Restated	<u>(154,309)</u>	<u>934,665</u>	<u>780,356</u>
Total Net Postion - Ending	<u>\$ (80,065)</u>	<u>\$ 916,693</u>	<u>\$ 836,628</u>

Caswell County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	Major	Non-Major	Totals
	Solid	Caswell	June 30,
	Waste	Department of	2023
	Transportation		
Cash flows from operating activities:			
Cash received from customers	\$ 1,486,201	\$ 478,262	\$ 1,964,463
Cash paid for goods and services	(1,318,035)	(186,247)	(1,504,282)
Cash paid to employees for services	(204,307)	(355,893)	(560,200)
Miscellaneous Revenue	20	-	20
Net cash provided (used) by operating activities	(36,121)	(63,878)	(99,999)
Cash flows from noncapital financing activities			
Disposal tax	64,152	-	64,152
(Increase) decrease in due from other funds	35,100	-	35,100
Grants	-	177,691	177,691
Net cash provided (used) by noncapital financial activities	99,252	177,691	276,943
Cash flows from capital and related financing activities:			
Principal paid on bond maturities and equipment contracts	(56,254)	-	(56,254)
Interest paid on bond maturities and equipment contracts	(6,877)	-	(6,877)
Proceeds from sale of property and equipment	-	31,648	31,648
Net cash provided (used) by capital and related financing activities	(63,131)	31,648	(31,483)
Net increase (decrease) in cash and cash equivalents	-	145,461	145,461
Cash and cash equivalents, July 1	-	514,987	514,987
Cash and cash equivalents, June 30	\$ -	\$ 660,448	\$ 660,448

(continued)

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

Caswell County, North Carolina
Proprietary Funds
Combining Statement of Cash Flows
For The Year Ended June 30, 2023

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

Operating income (loss)	\$ 16,949	\$ (227,311)	\$ (210,362)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	76,342	109,102	185,444
Miscellaneous Revenue	20	-	20
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(15,326)	34,224	18,898
(Increase) decrease in deferred outflows of resources for pensions	(5,695)	(28,434)	(34,129)
Increase (decrease) in accounts payable and accrued liabilities	(138,455)	(2,405)	(140,860)
Increase (decrease) in accrued wages payable	(5,635)	(9,457)	(15,092)
Increase (decrease) in deferred inflows of resources for pensions	(13,694)	(33,417)	(47,111)
Increase (decrease) in net pension liability	56,564	98,962	155,526
Increase (decrease) in compensated absences	6,787	5,967	12,754
Increase (decrease) in net OPEB liability	(13,978)	(11,109)	(25,087)
Total adjustments	<u>(53,070)</u>	<u>163,433</u>	<u>110,363</u>
Net cash provided (used) by operating activities	\$ <u>(36,121)</u>	\$ <u>(63,878)</u>	\$ <u>(99,999)</u>

Caswell County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds
ASSETS	
Cash and investments	\$ 104,757
Taxes receivable, net	9,812
Accounts receivable	3,070
Total Assets	<u>\$ 117,639</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous Liabilities	\$ 77,915
Total liabilities	<u>77,915</u>
Net position:	
Held in trust (Fiduciary net assets)	39,724
Total Liabilities and Net Position	<u>\$ 117,639</u>

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Caswell County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 395,978
Collections on behalf of inmates	215,173
Total additions	<u>\$ 611,151</u>
DEDUCTIONS	
Tax distributions to other governments	\$ 395,978
Payment on behalf of inmates	207,464
Total deductions	<u>603,442</u>
Net increase (decrease) in fiduciary net positions	7,709
Net position, beginning, as previously reported	<u>32,015</u>
Net position, ending	<u>\$ 39,724</u>

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NOTES TO THE
FINANCIAL STATEMENTS

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**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Unit

Caswell County Tourism Development Authority

The members of the Tourism Development Authority's governing board are appointed by the County. The County is financially accountable for the Tourism Development Authority, as the TDA derives its revenues through a special room occupancy tax authorized and revocable by the County Commissioners. The Tourism Development Authority does not issue separate financial statements.

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 YEAR ENDED JUNE 30, 2023

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.

Opioid Settlement Fund. This fund accounts for the proceeds of National Opioid Settlement dollars to be spent in accordance with the Board of Commissioners approved spending plans.

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.

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Non-major Funds. The County maintains thirteen legally budgeted nonmajor funds. The Special Fire District, Emergency Telephone System, Family Services of Caswell County fund, Economic Development/Tourism/Occupancy Tax Fund, Section 8 Housing Authority Fund, Mini Grant Project Fund, Special Revenue Fund, American Rescue Plan Act Fund, Riverside Furniture Project Fund, Representative Payee Fund, Fines and Forfeitures Fund, Revolving Loan Fund, and Caswell Enterprise Center Fund are reported as non-major special revenue funds.

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.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

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 Family Services of Caswell County Fund, the Economic Development/Tourism/Occupancy Tax Fund, the Section 8 Housing Authority Fund, the Mini Grant Project Fund, the Special Revenue Fund, the Opioid Settlement Fund, the Riverside Furniture Project Fund, the Representative Payee Fund, the Fines and Forfeiture Fund, the Register of Deeds Remittance Fund, and the Revolving Loan 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 American Rescue Plan Grant Project and Capital Projects Funds (School Capital Projects Fund).

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

State Law [G.S. 159-30(c)] authorizes the County and its component units 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 its component units' 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 and AAmf by Moody Investor Services. The NCCMT Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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. Unspent grant proceeds are shown as restricted.

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$1,749,152 related to the settlement are also shown as restricted assets. The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial and tribal governments. These funds are limited to restricted purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets.

Caswell County Restricted Cash

<u>Governmental Activities</u>		
General Fund	Tax Revaluation	\$ 95,405
General Fund	Register of Deeds	71,414
General Fund	Unexpended School Restricted Capital	1,688,667
General Fund	Unspent Grant Revenues	125,000
Opioid Settlement Fund	Unexpended Settlement Proceeds	144,377
ARPA Fund	Restricted Grant Funds	600,000
Total Restricted Cash		<u>\$ 2,724,863</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2022.

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. While this is the first year the County has reported a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectable accounts even in the absence of historical data to serve as a basis of the calculation. The County believes this is prudent given the terms over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

6. Inventory and Prepaid Items

The inventories of the ABC Board are valued at the lower of cost (first in, first out) or 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.

Certain payments to vendor reflect costs applicable to future accounting periods and are recorded as prepaid items in both governments-wide and fund financial statements.

Prepaid items for the County's governmental funds are treated used the consumption method.

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.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports and Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The right to use IT Subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payment for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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 as	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 office)	4-10
Vehicles	5-10
Leasehold Improvements	5-8

8. Deferred Outflows/Inflows of resources

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

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2023 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. Opioid Settlement Fund

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. The County received \$144,377 as part of this settlement in Fiscal Years 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

The significance of this issue resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restricts on the use of the fund's revenue it should not be recognized until the funds were expended. The County did not receive any funds in 2022.

As litigation progressed and more settlements were finalized, the conclusion on the appropriate accounting and financial reporting also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary nonexchange transactions, there are other cases where it is appropriate to apply the guidance for exchange and exchange-like transactions.

Initially guidance indicated that this should be treated as a nonexchange transaction and expenditures was a requirement to recognize revenue.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin state that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling state in exchange for their agreement to release the tobacco companies from present and future litigation."

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

In FY23 the County applied the exchange and exchange-like transaction guidance to these transactions. Accordingly, the cash received during the year was recognized in the Opioid Settlement Special Revenue Fund. Additional revenue was also recognized for Governmental Activities for future revenues receivable less an allowance for uncollectible accounts.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

12. Reimbursements for Pandemic-related Expenditures

In FY2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$4,390,562 of fiscal recovery funds to be paid in two equal installments. The first installment of \$2,195,281 was received in July 2021. The second installment was received in mid-2022. County staff and the Board of Commissioners have elected to use the ARPA Funding for revenue replacement and to fund capital projects. As of June 30, 2023, \$3,790,562 of the funds have been spent.

13. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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 police.

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
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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.

14. Defined Benefit Cost-Sharing 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.

15. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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>
Caswell Enterprise Center Fund	\$ (58,906)
Family Services of Caswell Fund	(106,625)
Solid Waste Fund	(80,065)

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

Transfers

Transfers were made from the General Fund to the Family Services Fund (\$3,000) in excess of the budgeted amount; additionally, transfers of \$50,000 to the Riverside Furniture Project Fund were unbudgeted.

General Statute Violation

Daily Deposits

During our testing it was noted that the Inspections/Planning department was holding daily collections until Friday. Additionally, Register of Deeds had 1 deposits of 31 tested that were not deposited timely. General Statute 159-32 requires collections in excess of \$500 to be deposited daily.

Board Approval of Tax Releases and Refunds

During our testing it was noted that the tax releases and refunds in excess of \$100 were not being presented to and approved by the Board as required by General Statute 105-381b.

Expenditures in Excess of Appropriations

In accordance with section 159-8(a), each local government shall operate under an annual balanced budget ordinance. Estimated revenues and appropriations were not budgeted for several funds: Mini Grant Project Fund, Special Revenue Fund, Deed of Trust Fund, or the Caswell Enterprise Center Fund.

The budget was overspent in the following General Fund departments: Administration (\$124,003), Finance (\$13,206), Fleet Management (\$272,039); Sheriff (\$458,151), Jail (\$38,077), Inspections (\$19,192), Planning Board (\$33,755), DJJDP (\$86), Recreation (\$2,934), Debt Service (\$323,339). The following funds also reported expenditures in excess of appropriations: the Revaluation Fund (\$185,896), Special Fire District Fund (\$149,260), Economic Development/Tourism/Occupancy Tax (\$123,260), and the Representative Payee Fund (\$169,182). The bond anticipation payoff was not budgeted in the School Capital Project Fund (\$13,150,000). Additionally, transfers were made from the General Fund to the Family Services Fund (\$3,000) in excess of the budgeted amount.

Timeliness of Audit

The audit was completed nearly 18 months after the required due date of October 31, 2023. The County experienced significant turnover in staff in prior years which resulted in a delay completing the prior years statements and additional significant time was required to reconcile the general ledger for fiscal year 2023.

Pre-audit Verbiage Missing from Check Face

North Carolina General Statute 159-28 requires all checks issued by a governmental unit to bear on the face pre-audit language. When changing software management inadvertently left off the pre-audit clause.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2022 the County's deposits had a carrying amount of \$2,751,848 and a bank balance of \$4,431,392. Of the bank balance, \$252,271 was covered by federal depository insurance; and \$4,181,392 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2023, the carrying amount of deposits for the Tourism Development Authority's deposits was \$75,414 and a bank balance of \$72,193. All of the bank balance was covered by federal depository insurance.

At June 30, 2023, the carrying amount of deposits for the ABC Board's deposits was \$560,047 and a bank balance of \$562,244. Of the bank balance, \$250,000 was covered by federal depository insurance. At June 30, 2023, the ABC Board had \$5,475 in petty cash and change funds.

2. Investments

At June 30, 2023, the County had the following investments and maturities.

Investment Type	Valuation Measurement	Fair Value	Less Than 6		
	Method		Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$11,152,802	\$ 11,152,802	\$ -	\$ -

** 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. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAMf by Moody's Investor Services.

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.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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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
2019	\$ 1,658,146	\$ 447,699	\$ 2,105,845
2020	1,670,366	300,666	1,971,032
2021	1,687,418	151,868	1,839,286
2022	1,678,236	-	1,678,236
Total	\$ 6,694,166	\$ 900,233	\$ 7,594,399

4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Lease Receivable	Total
Governmental Activities:						
General	\$ 3,860,013	\$ 611,152	\$ -	\$ 496,957	\$ 61,232	\$ 5,029,354
Other Governmental	4,857,236	30,426	-	486,314	-	5,373,976
Total Receivables	8,717,249	641,578	-	983,271	61,232	10,403,330
Allowance for Doubtful Accts.	(1,527,687)	(355,000)	-	-	-	(1,882,687)
Total Gov't Activities	\$ 7,189,562	\$ 996,578	\$ -	\$ 983,271	\$ 61,232	\$ 8,520,643
Business-type Activities:						
Solid Waste	\$ 16,200	\$ 68,453	\$ -	\$ -	\$ -	\$ 84,653
CDOT	72,441	-	-	-	-	72,441
Total Receivables	88,641	68,453	-	-	-	157,094
Allowance for Doubtful Accts.	-	-	-	-	-	-
Total Business-type	\$ 88,641	\$ 68,453	\$ -	\$ -	\$ -	\$ 157,094

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

Governmental Activities:	
Sales and Use Tax	\$ 983,271
Total	\$ 983,271

Notes Receivable

The County established a Revolving Loan Fund to enhance economic development through a UADA Rural Development Business Enterprise Grant. The loan balances, including accrued interest, at June 30, 2023 total \$71,494.

NorAg Technology: Original loan entered into March 2014 for \$125,000 at 5% interest payable over 6 years. In March 2020, the terms of the loan were renegotiated to extend the payment period to July 2025 with monthly payments of \$2,000. The loan balance as of June 30, 2022 is \$49,769.

Ambrosi Biscotti: Original loan entered into in December 2016 for \$27,295 at 0% interest if paid by September 2020. In March 2020, the company ceased operations due to the COVID-19 pandemic and in June 2020 closed the business permanently. The loan balance as of June 30, 2023 is \$21,725. The Company's owner has expressed an interest in seeking loan forgiveness but has yet to make a formal appeal to the Board of Commissioners.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Lease Receivable

The County has entered into a 38 month agreement to lease the One Story Masonry Building. An initial lease receivable was recorded in the amount of \$93,708. As of 06/30/2023, the value of the lease receivable is \$34,816. The lessee is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 0.845%. The value of the deferred inflow of resources as of 06/30/2023 was \$34,524, and the County recognized lease revenue of \$29,592 during the year. The lessee has 1 extension option(s), each for 60 months. The lessee had a termination period of 4 months as of the lease commencement.

The County has entered into a 36 month agreement to lease the USDA Building. An initial lease receivable was recorded in the amount of \$52,664. As of 06/30/2023, the value of the lease receivable is \$26,414. The lessee is required to make monthly fixed payments of \$1,473. The lease has an interest rate of 0.476%. The value of the deferred inflow of resources as of 06/30/2023 was \$26,331, and the County recognized lease revenue of \$17,554 during the year.

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 47,410	\$ 266	\$ 47,676
2025	13,822	17	13,839
	<u>\$ 61,232</u>	<u>\$ 283</u>	<u>\$ 61,515</u>

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2023, was as follows:

<u>Governmental Activities:</u>	Beginning Balances (restated)	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 915,870	\$ -	\$ -	\$ -	\$ 915,870
Construction in Progress	-	-	-	-	-
Total capital assets not being depreciated	915,870	-	-	-	915,870
Capital assets being depreciated:					
Building	26,119,200	256,893	-	-	26,376,093
Improvements	2,857,281	87,344	-	-	2,944,625
Equipment	4,864,956	1,091,650	-	-	5,956,606
Vehicles	3,386,110	144,000	-	-	3,530,110
Other Assets	5,802,734	-	-	-	5,802,734
Infrastructure	17,277	-	-	-	17,277
Total capital assets being depreciated:	43,047,558	1,579,887	-	-	44,627,445
Less accumulated depreciation for:					
Building	10,535,806	873,627	-	-	11,409,433
Improvements	1,867,266	2,835	-	-	1,870,101
Equipment	3,841,613	283,190	-	-	4,124,803
Vehicles	2,571,387	216,380	-	-	2,787,767
Other Assets	3,176,634	151,492	-	-	3,328,126
Infrastructure	8,877	325	-	-	9,202
Total accumulated depreciation:	22,001,583	1,527,849	-	-	23,529,432
Total capital assets being depreciated, net	21,045,975				21,098,013

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Right to use assets being amortized:					
Vehicles	1,187,909	1,039,470	(95,851)	-	2,131,528
Equipment	46,535	5,196	(6,001)	-	45,730
IT Subscriptions	-	106,111	-	-	106,111
Total right to use assets being amortized:	1,234,444	1,150,777	(101,852)	-	2,283,369
Less amortization for:					
Vehicles	293,692	482,556	(95,851)	-	680,397
Equipment	16,702	13,267	(6,001)	-	23,968
IT Subscriptions	-	25,467	-	-	25,467
Total accumulated amortization:	310,394	521,290	(101,852)	-	729,832
Total right to use assets being amortized, net:	924,050				1,553,537
Governmental activity capital assets, net	<u>\$ 22,885,895</u>				<u>\$ 23,567,420</u>

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

General Government	\$ 804,343
Public Safety	769,406
Environmental Protection	19,826
Economic and Physical Development	72,702
Human Services	160,826
Cultural and Recreational	222,036
Total Depreciation Expense	<u>\$ 2,049,139</u>

Business-type activities:

Solid Waste	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 37,500	\$ -	\$ -	\$ -	\$ 37,500
Total capital assets not being depreciated:	37,500	-	-	-	37,500
Capital assets being depreciated:					
Buildings	36,341	-	-	-	36,341
Land Improvements	149,397	-	-	-	149,397
General Equipment	734,102	-	-	-	734,102
Vehicles	313,328	-	-	-	313,328
Other Assets	403,675	-	-	-	403,675
Total capital assets being depreciated :	1,636,843	-	-	-	1,636,843
Less accumulated depreciation for:					
Buildings	21,130	1,270	-	-	22,400
Land Improvements	124,925	1,919	-	-	126,844
General Equipment	384,839	48,586	-	-	433,425
Vehicles	167,812	24,567	-	-	192,379
Other Assets	403,675	-	-	-	403,675
Total accumulated depreciation:	1,102,381	\$ 76,342	\$ -	\$ -	1,178,723
Total capital assets being depreciated, net	534,462				458,120
Solid Waste capital assets, net	<u>\$ 571,962</u>				<u>\$ 495,620</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets (Continued)

	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
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	990,852		(191,931)	-	798,921
Total capital assets not being depreciated:	1,249,449	-	(191,931)	-	1,057,518
Less accumulated depreciation for:					
Building Improvements	57,878	5,804		-	63,682
Land Improvements	15,633	1,268		-	16,901
Computer Equipment	10,190	-		-	10,190
Vehicles	694,857	102,030	(191,931)	-	604,956
Total accumulated depreciation	778,558	109,102	(191,931)	-	695,729
Total capital assets being depreciated :	470,891	\$ (109,102)	\$ -	\$ -	361,789
Caswell Dept. of Transportation capital assets, net	470,891				361,789
Business-type activities capital assets, net	\$ 1,042,853				\$ 857,409

Construction Commitments

The government had no active constructions projects as of June 30, 2023.

	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
Caswell County ABC Board					
Capital assets not being depreciated :					
Land	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
CIP - Shelving	45,110	-	-	-	45,110
Total capital assets not being depreciated	51,110	-	-	-	51,110
Capital assets being depreciated					
Buildings	208,184	-	-	-	208,184
Warehouse equipment	2,326	-	-	-	2,326
Vehicles	39,519	-	-	-	39,519
Office furniture and equipment	31,236	-	-	-	31,236
Store Fixtures and equipment	122,796	-	-	-	122,796
Leasehold improvements	32,952	17,800	17,000	-	33,752
Total capital assets being depreciated	437,013	17,800	17,000	-	437,813
Less accumulated depreciation for:					
Assets being depreciated	325,835	18,568	17,000	-	327,403
Total accumulated depreciation	325,835	\$ 18,568	\$ 17,000	\$ -	327,403
Total capital assets being depreciated ,net	111,178				110,410
ABC Board capital assets-net	\$ 162,288				\$ 161,520

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
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B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2023, were as follows :

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 1,386,617	\$ 304,055	\$ 1,690,672
Other Governmental	346,883	7,568	354,451
Total Governmental Activities	<u>\$ 1,733,500</u>	<u>\$ 311,623</u>	<u>\$ 2,045,123</u>
Business-type Activities:			
Solid Waste	\$ 42,292	\$ 4,953	\$ 47,245
CDOT	7,805	7,377	15,182
Total Business-type Activities	<u>\$ 50,097</u>	<u>\$ 12,330</u>	<u>\$ 62,427</u>

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 (ACFR) for the State of North Carolina. The State's ACFR 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.

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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, 2023, was 13.04% of compensation for law enforcement officers, 12.16% for general employees and firefighters, and 12.17% 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 \$1,391,905 for the year ended June 30, 2022.

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, 2023, the County reported a liability of \$7,966,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.1412% (measured as of June 30, 2022), which was an increase of 0.0079% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$2,893,030. At June 30, 2023, 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	\$ 343,283	\$ 33,657
Changes of assumptions	794,911	-
Net difference between projected and actual earnings on pension plan investments	2,633,119	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	33,079	516,890
County contributions subsequent to the measurement date	1,391,905	-
Total	<u>\$ 5,196,297</u>	<u>\$ 550,547</u>

**CASWELL COUNTY, NORTH CAROLINA
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\$1,391,905 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2024	\$ 1,000,680
2025	858,159
2026	140,538
2027	1,254,468
2028	-
Thereafter	-
	<u>\$ 3,253,845</u>

Actuarial Assumptions . The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary	3.25% to 8.25%, which includes a 3.25%
Investment Rate of Return	6.50 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, 2022 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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, 2023 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	33.00%	0.9%
Global Equity	38.00%	6.5%
Real Estate	8.00%	5.9%
Alternatives	8.00%	8.2%
Credit	7.00%	5.0%
Inflation	6.00%	2.7%
Total	<u>100.00%</u>	

**CASWELL COUNTY, NORTH CAROLINA
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The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 14,379,092	\$ 7,966,825	\$ 2,682,744

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) 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, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits.	0
Active plan members	39
Total	<u>48</u>

**CASWELL COUNTY, NORTH CAROLINA
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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 June 30, 2021 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	3.25 percent
Discount Rate	4.05 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, 2022.

The actuarial assumptions used in the June 30, 2021 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, 2019.

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 \$151,791 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, 2023, the County reported total pension liability of \$1,239,287. The total pension liability was measured as of December 31, 2022 based on a June 30, 2021 actuarial valuation. The total pension liability was rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$123,753.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 165,921	\$ 53,633
Changes of assumption	90,700	134,025
Benefit payments and administrative expenses subsequent to the measurement date	74,598	-
Total	<u>\$ 331,219</u>	<u>\$ 187,658</u>

\$74,598 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2024	\$ 80,305
2025	24,887
2026	(23,569)
2027	(12,660)
2028	-
Thereafter	-

\$116,375 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 (3.05 percent) or 1-percentage point higher (5.05 percent) than the current rate:

	1% Decrease (3.05%)	Discount Rate (4.05%)	1% Increase (5.05%)
Total pension liability	\$ 1,323,979	\$ 1,239,287	\$ 1,161,834

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

	2023
Beginning balance	\$ 1,444,246
Service Cost	64,434
Interest on the total pension liability	28,450
Difference between expected and actuarial experience	(9,949)
Changes of assumptions or other inputs	(171,519)
Benefit payments	(116,375)
Ending balance of the total pension liability	<u>\$ 1,239,287</u>

Changes of assumptions. Changes of assumptions and other inputs reflected a change in the discount rate from 2.06 percent at December 31, 2021 (measurement date) to 4.05 percent at December 31, 2022 (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 June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

**CASWELL COUNTY, NORTH CAROLINA
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c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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, 2023 were \$132,068 which consisted of \$92,999 from the County and \$39,069 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 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 Register of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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 \$1,502 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$20,689 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 0.1563%, which was an increase of 0.0163% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$1,890. At June 30, 2023, 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	\$ 159	\$ 375
Changes of assumptions	1,095	-
Net difference between projected and actual earnings on pension plan investments	8,599	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	2,228	2,232
County contributions subsequent to the measurement date	1,502	-
Total	<u>\$ 13,583</u>	<u>\$ 2,607</u>

\$1,502 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ 3,661
2025	789
2026	2,863
2027	2,161
Thereafter	-
	<u>\$ 9,474</u>

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Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 Percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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, 2023 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability	\$ 23,847	\$ (20,689)	\$ 35,212

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

**CASWELL COUNTY, NORTH CAROLINA
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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, 2022, 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 December 31, 2022, with an actuarial valuation date of June 30, 2021. 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:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 7,966,825	\$ (20,689)	\$ -	\$ 7,946,136
Proportion of the Net Pension Liability (Asset)	0.1412%	0.1563%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,444,246	\$ 1,444,246
Pension Expense	\$ 2,893,030	\$ 1,890	\$ 123,753	\$ 3,018,673

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 343,283	\$ 159	\$ 165,921	\$ 509,363
Changes of assumptions	794,911	1,095	90,700	886,706
Change in proportion and differences between County contributions and proportionate share of contributions	33,079	2,228	-	35,307
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,391,905	1,502	74,598	1,468,005
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 33,657	\$ 375	\$ 53,633	\$ 87,665
Changes of assumptions	-	-	134,025	134,025
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	516,890	2,232	-	519,122

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.

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Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	2021
Retirees and dependents receiving benefits	18
Active plan members	190
Total	<u>208</u>

Total OPEB Liability

The County's total OPEB liability of \$3,691,730 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Payroll Growth Assumption	3.25 percent
Salary increases, including wage inflation	
General Employees	3.30 to 8.30 percent
Firefighters	3.30 to 8.00 percent
Law Enforcement Officers	3.30 to 7.80 percent
Discount Rate	
Prior Measurement Date	2.16 percent
Measurement Date	3.69 percent
Healthcare cost trend rates	
Pre-Medicare	7.50% for 2022 decreasing to an ultimate rate of 4.50% by 2028

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2021	\$ 4,136,057
Changes for the year:	
Service Cost at the end of the year*	109,343
Interest on TOL and Cash Flows	87,318
Difference between expected and actual experience	(32,244)
Changes of assumptions or other inputs	(453,854)
Benefit payments	(154,890)
Net Changes	<u>\$ (444,327)</u>
Total OPEB Liability as of June 30, 2022	<u>\$ 3,691,730</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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS board.

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, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023 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 (2.69 percent) and 1-percentage-point higher (4.69 percent) than the current discount rate:

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB liability (asset)	\$ 4,000,802	\$ 3,691,730	\$ 3,411,173

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, 2023, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ 3,364,292	\$ 3,691,730	\$ 4,067,578

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the County recognized OPEB expense of \$144,649. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2023, the components of the net OPEB liability of the County, measured as of June 30, 2022, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 343,117	\$ 386,994
Changes of assumptions	345,000	538,014
Benefit payments and administrative costs	93,853	-
Total	<u>\$ 781,970</u>	<u>\$ 925,008</u>

\$93,853 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30

2024	\$ (4,954)
2025	(4,523)
2026	16,638
2027	4,464
2028	(89,729)
Thereafter	(158,787)

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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	\$ -	\$ -
(Pensions, OPEB) - difference between expected and actual experience	\$ 852,480	\$ 474,659
(Pensions, OPEB) Changes of assumptions	1,231,706	672,039
(Pensions, OPEB) - difference between projected and actual investment	2,641,718	-
(Pensions, OPEB) - change in proportion and difference between employer contributions and proportionate share of contributions	35,307	519,122
Contributions to pension plan subsequent to the measurement date (LGERS, ROD)	1,393,407	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	93,853	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	74,598	-
Prepaid taxes not yet earned (General Fund)	-	88,188
Taxes receivable, net (General)	-	235,679
Taxes receivable, net (Special Revenue)	-	30,426
Lease (General)	-	61,162
Unspent Opioid settlement, net	-	1,749,152
Total	<u>\$ 6,323,069</u>	<u>\$ 3,830,427</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 two self-funded risk financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to replacement cost 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. The pools also provide \$1,000,000 in Cyber Event Coverage per loss occurrence. The County has the option to purchase higher liability and cyber limits. Auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits.

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

The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$750,000, up to a \$2 million limit for liability coverage and limits above the \$2,000,000 are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and private reinsurer.

Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$250,000 per occurrence for property, including auto physical damage, with additional limits of \$997,500,000 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 \$1,000,000 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

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; injuries to employees and natural disasters. The ABC Board has commercial 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. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

Caswell County Tourism Development Authority has Non-Profit Directors and Officers Liability Coverage. The Authority does not own any property nor does it have any employees, therefore, property and workers' compensation coverage is not required. There have been no claims against the policy.

5 Summary of Disclosure of Significant Commitments

a. Contingent Liabilities

At June 30, 2023, 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
FOR THE YEAR ENDED JUNE 30, 2023**

b. Long-Term Obligations

a. Leases

As of 6/30/2023, Caswell County, NC had 78 active leases. The leases have payments that range from \$0 to \$10,656 and interest rates that range from 0.3080% to 3.4095%. As of 6/30/2023, the total combined value of the lease liability is \$1,211,827, the total combined value of the short-term lease liability is \$468,624. The combined value of the right to use assets, as of 6/30/2023 of \$2,148,888 with accumulated amortization of \$704,364 is included within the lease class activities table found above. The leases had \$0 of variable payments and \$0 of other payments, not included in the Lease Liability, within the Fiscal Year.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 468,624	\$ 19,696	\$ 488,320
2025	333,423	13,082	346,505
2026	290,732	6,623	297,355
2027	119,048	1,247	120,295
	<u>\$ 1,211,827</u>	<u>\$ 40,648</u>	<u>\$ 1,252,475</u>

b. Subscriptions

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of a right to use an underlying asset. Under this statement, a organization is required to recognize a subscription liability and an intangible right-to-use

As of 06/30/2023, Caswell County, NC had 1 active subscriptions. The subscriptions have payments that range from \$27,609 to \$27,609 and interest rates that range from 2.4450% to 2.4450%. As of 06/30/2023, the total combined value of the subscription liability is \$78,935. The combined value of the right to use asset, as of 06/30/2023 of \$106,111 with accumulated amortization of \$25,467 is included within the Subscription Class activities table found

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 25,679	\$ 1,930	\$ 27,609
2025	26,307	1,302	27,609
2026	26,950	659	27,609
2027	-	-	-
	<u>\$ 78,936</u>	<u>\$ 3,891</u>	<u>\$ 82,827</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

c. 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.

\$ 497,615

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.

294,000

Total

\$ 791,615

Paid or serviced by the Solid Waste Fund:

The County entered into a direct placement loan agreement with Santander Bank in September 2021 for the purchase of an excavator. Principal payments of \$64,713, plus accrued interest at 3.564% are due annually starting September 15, 2022. The equipment stands 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.

\$ 181,081

Annual debt service requirements to maturity for the County's installment purchase loans are as follows:

Year Ending June 30	Governmental Activities		Business-Type	
	Principal	Interest	Principal	Interest
2023	\$ 197,523	\$ 6,321	\$ 58,259	\$ 6,454
2024	197,523	4,214	60,336	4,377
2025	197,523	8,523	62,486	2,227
2026	99,523	-	-	-
2027	99,523	-	-	-
2026-2030	-	-	-	-
Total	<u>\$ 791,615</u>	<u>\$ 19,058</u>	<u>\$ 181,081</u>	<u>\$ 13,058</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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. 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.

Serviced by the County's General Fund:

General Obligation Bonds:

\$9,000,000 General Obligation Series 2022A Bond. Due on June 1 in principle installments of \$197,000 to \$431,000 through June 2052; at a true interest cost of 2.75%.

\$ 8,803,000

\$4,050,000 General Obligation Series 2022B Bond. Due on June 1 in principle installments of \$89,000 to \$196,000 through June 2052; at a true interest cost of 2.75%.

3,961,000

Total

\$ 12,764,000

The annual requirements to amortize debt and related interest on the general obligation bonds and notes payable for future years ended June 30, 2023 were as follows:

Year Ending June 30	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 293,000	\$ 351,011
2025	302,000	342,953
2026	310,000	334,648
2027	319,000	326,123
2028	328,000	317,351
2029-2033	1,774,000	1,446,696
2034-2038	2,033,000	1,188,994
2039-2043	2,328,000	893,587
2044-2048	2,668,000	555,339
2049-2053	2,409,000	167,862
Total	<u>\$ 12,764,000</u>	<u>\$ 5,924,564</u>

d. 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. This was paid in full with the issuance of two new bonds.

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

e. 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, 2023 are comprised of the following individual issues:

Serviced by the County's General Fund:

Private Placement Bonds (continued)

The County entered into an agreement with Sterling National Bank in September 2021. The total amount of the loan was \$3,380,000, and was to refinance the acquisition and construction of the Detention Center. Principal payments of \$311,000 to \$352,000 are due semi-annually starting February 1, 2022 plus interest of 0.8%. The failure to make a routine payment when due or comply with any of the terms of the Loan Agreement or of the Future Advances Deed of Trust securing this Note will constitute a default of this Note. In the event of default, the entire balance of the principal remaining shall be automatically due and payable; proceed by appropriate court action to enforce the County's performance of the applicable covenants of this Agreement or the Deed of Trust or to recover for the breach thereof; and avail itself of all available remedies under this Agreement and the Deed of Trust, including foreclosure on the Mortgaged Property and recovery of legal fees and other expenses and of all other remedies available at law or in equity.

\$ 2,325,000

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 688,000	\$ 17,224
2025	671,000	11,756
2026	655,000	6,416
2027	311,000	1,244
2028	-	-
2028-2031	-	-
Total	<u>\$ 2,325,000</u>	<u>\$ 36,640</u>

f. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	Balance July 01, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ -	\$13,050,000	\$ 286,000	\$ 12,764,000	\$ 293,000
Leases	799,865	833,420	421,458	1,211,827	468,624
IT Subscriptions	-	106,111	27,176	78,935	25,679
Bond Anticipation Note	13,150,000	-	13,150,000	-	-
Private placement bonds	3,029,000	-	704,000	2,325,000	688,000
Direct Placement and Direct Borrowing	989,138	-	197,523	791,615	197,523
Installment purchases					
Compensated Absences	498,486	542,926	-	1,041,412	260,353
Net pension liability (LGERS)	1,990,453	5,767,167	-	7,757,620	-
Total pension liability (LEOSSA)	1,444,246	-	204,959	1,239,287	-
Net OPEB liability	3,902,530	-	419,240	3,483,290	-
Total governmental activities	<u>\$ 25,803,718</u>	<u>\$20,299,624</u>	<u>\$ 15,410,356</u>	<u>\$ 30,692,986</u>	<u>\$ 1,933,179</u>

CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Long-Term Obligation Activity (Continued):

	Balance July 01, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion
Business-type Activities:					
Net OPEB liability					
Solid Waste	\$ 130,120	\$ -	\$ 13,978	\$ 116,142	\$ -
Caswell Div. Transportation	103,407	-	11,109	92,298	-
Total	233,527	-	25,087	208,440	-
Net Pension Liability (LGERS)					
Solid Waste	19,523	56,564	-	76,087	-
Caswell Div. Transportation	34,155	98,962	-	133,117	-
Total	53,678	155,526	-	209,204	-
Compensated Absence					
Solid Waste	10,432	6,787	-	17,219	4,305
Caswell Div. Transportation	11,970	5,967	-	17,937	4,484
Total	22,402	12,754	-	35,156	8,789
Installment Purchase Agreements (Solid Waste)	237,335	-	56,254	181,081	58,259
Total Business-type activities	\$ 309,607	\$ 168,280	\$ 81,341	\$ 452,800	\$ 8,789

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, 2023, Caswell County had a legal debt margin of \$124,192,191.

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. There is no remaining accrued landfill closure liability at June 30, 2023.

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 YEAR ENDED JUNE 30, 2023**

C. Interfund Balances and Activity

Transfers from /to other funds

From the Coronavirus State Local Fiscal Recovery Fund to the General Fund for revenue replacement.	\$ 2,787,480
From the General Fund to the Family Services Fund for revenue replacement.	10,000
From the General Fund to the School Capital Reverse Fund for restricted sales tax	273,824
From the General Fund to the Special Fire Department for volunteer fire departments rescue operations	716,064
From the General Fund to the Riverside Furniture Project for grant matching.	50,000
From the General Fund to the Revaluation Fund for revaluation reserve and expense paid.	<u>30,000</u>
Total	<u>\$ 3,867,368</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grants.

Due from/to other funds

From the Family Services of Caswell Fund to the General Fund for central depository overdraft	\$ 226,633
From the Caswell Enterprise Center Fund to General Fund to correct cash postings (money needs to be transferred to properly closeout the account).	58,906
From the Solid Waste Fund to General Fund for central depository overdraft	259,480
From the School Capital Project Fund to General Fund for central depository overdraft	3,102,759
From the Section 8 Housing Authority to General Fund for central depository overdraft	<u>2,517</u>
Total	<u>\$ 3,650,295</u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Net Capital assets	\$23,567,420	\$ 857,409
Capital debt calculation:		
Total debt, gross	<u>17,171,377</u>	<u>181,081</u>
Adjusted Debt	<u>4,407,377</u>	<u>181,081</u>
Net Investment in capital assets	<u>\$19,160,043</u>	<u>\$ 676,328</u>

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$ 16,202,988
Less:	
Nonspendable - prepaids & leases	\$ 376,885
Stabilization by State Statute	6,673,928
Appropriated fund balance in 2024 budget	2,555,515
Register of Deeds	71,414
Tax Revaluation	249,616
Education	2,906,722
LEO Separation	18,920
Remaining Fund Balance	3,349,988

The County no outstanding encumbrances at June 30, 2023.

NOTE IV: Joint Ventures

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

NOTE V: Joint Governed Organization

Piedmont Triad Council of Governments

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

Person- Caswell Lake

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

Piedmont Community College

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.

**CASWELL COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE VI: 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 VII: Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2023 and April 28, 2025, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE VIII: Prior Period Adjustment

An adjustment was recorded between the General Fund and Special Revenue Fund of \$430,105 to move expenses to the General Fund that were inadvertently left in the Special Revenue Fund. An additional adjustment to record unpaid payroll taxes in General Fund (\$97,602), Section 8 Housing Fund (\$984), Family Services Fund (\$1,385), Solid Waste (\$439) and Department of Transportation Fund (\$1,404); combined with an entry to correct accrued payroll in General Fund (\$804,492), Section 8 Housing Fund (\$8,768), Family Services Fund (\$10,441), Solid Waste (\$4,186) and Department of Transportation Fund (\$16,834). Adjustments of (\$3,593) and \$1,358 were made in the Fines and Forfeitures and Deed of Trust Fund, respectively to clean up expenses that were coded to the wrong fund. Also, (\$412,398) was recorded on the Governmental Activities to remove CIP. Total impact to the Governmental Activities was a decrease of \$1,338,886 and to Business-type activities a decrease of \$29,265.

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 Ten Fiscal Years*

Local Government Employees' Retirement System					
	2023	2022	2021	2020	2019
County's proportion of the net pension liability (asset) (%)	0.141%	0.133%	0.135%	0.139%	0.146%
County's proportion of the net pension liability (asset) (\$)	\$ 7,966,825	\$ 2,044,131	\$ 4,815,906	\$3,792,158	\$3,454,842
County's covered payroll	\$ 10,782,928	\$ 10,235,132	\$ 9,685,592	\$9,128,918	\$9,118,194
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.88%	19.97%	49.72%	41.54%	37.89%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	92.00%
	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.149%	0.133%	0.131%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 2,274,169	\$ 2,828,011	\$ 589,761	\$ (784,126)	\$1,685,126
County's covered payroll	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$7,663,282	\$7,805,541
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.24%	34.48%	7.50%	-10.23%	21.59%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	102.64%

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

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

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

Local Government Employees' Retirement System					
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 1,391,905	\$ 1,250,184	\$ 1,056,741	\$ 884,225	\$ 725,507
Contributions in relation to the contractually required contribution	1,391,905	1,250,184	1,056,741	884,225	725,507
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 11,303,754	\$ 10,782,928	\$ 10,235,132	\$ 9,685,592	\$ 9,128,918
Contributions as a percentage of covered payroll	12.31%	11.59%	10.32%	9.13%	7.95%
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 701,348	\$ 672,660	\$ 560,597	\$ 556,303	\$ 544,352
Contributions in relation to the contractually required contribution	701,348	672,660	560,597	556,303	544,352
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 9,118,194	\$ 9,011,653	\$ 8,200,875	\$ 7,859,926	\$ 7,663,282
Contributions as a percentage of	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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportionate share of the net pension liability (%)	0.156%	0.140%	0.173%	0.146%	0.120%
County's proportionate share of the net pension liability (\$)	\$ (20,689)	\$ (26,889)	\$ (39,550)	\$ (28,825)	\$ (19,945)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.167%	0.174%	0.169%	0.170%	0.150%
County's proportionate share of the net pension liability (\$)	\$ (28,476)	\$ (32,441)	\$ (39,108)	\$ (38,487)	\$ (32,021)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's required contribution	\$ 1,502	\$ 1,791	\$ 1,679	\$ 1,365	\$ 3,804
Contributions in relation to contractually required contribution	<u>1,502</u>	<u>1,791</u>	<u>1,679</u>	<u>1,365</u>	<u>3,804</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 3,650	\$ 3,225	\$ 2,856	\$ 2,753	\$ 1,386
Contributions in relation to contractually required contribution	<u>3,650</u>	<u>3,225</u>	<u>2,856</u>	<u>2,753</u>	<u>1,386</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Caswell County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Seven Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 1,444,246	\$ 1,196,372	\$ 1,231,952	\$ 916,873
Service Cost	64,434	55,635	44,496	40,924
Interest on the total pension liability	28,450	24,360	38,748	32,043
Differences between expected and actual experience in measurement of the total pension liability	(9,949)	181,118	(111,713)	283,315
Changes of assumptions or other inputs	(171,519)	94,947	79,625	31,925
Benefit payments	<u>(116,375)</u>	<u>(108,186)</u>	<u>(86,736)</u>	<u>(73,128)</u>
Ending balance of the total pension liability	<u>\$ 1,239,287</u>	<u>\$ 1,444,246</u>	<u>\$ 1,196,372</u>	<u>\$ 1,231,952</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 863,655	\$ 707,495	\$ 683,438
Service Cost	48,421	39,068	35,387
Interest on the total pension liability	26,136	26,936	24,054
Differences between expected and actual experience in measurement of the total pension liability	88,345	58,788	-
Changes of assumptions or other inputs	(36,564)	50,704	(16,048)
Benefit payments	<u>(73,120)</u>	<u>(19,336)</u>	<u>(19,336)</u>
Ending balance of the total pension liability	<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
Last Seven Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,239,287	\$ 1,444,246	\$ 1,196,372	\$ 1,231,952
Covered payroll	<u>1,621,652</u>	<u>1,621,652</u>	<u>1,486,776</u>	<u>1,515,729</u>
Total pension liability as a percentage of covered payroll	76.42%	89.06%	80.47%	81.28%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 916,873	\$ 863,655	\$ 707,495
Covered payroll	<u>1,705,482</u>	<u>1,576,149</u>	<u>1,388,436</u>
Total pension liability as a percentage of covered payroll	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
Last Six Fiscal Years*

Exhibit A-7

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability			
Service cost	\$ 109,343	\$ 200,138	\$ 149,771
Interest	87,318	98,508	136,561
Differences between expected and actual experience	(32,244)	(479,346)	(5,640)
Changes of assumptions	(453,854)	(86,840)	463,248
Benefit payments	(154,890)	(147,654)	(194,512)
Implicit rate subsidy fulfillment	-	-	-
Net change in total OPEB liability	(444,327)	(415,194)	549,428
Total OPEB liability - beginning	<u>4,136,057</u>	<u>4,551,251</u>	<u>4,001,823</u>
Total OPEB liability - ending	<u>\$ 3,691,730</u>	<u>\$ 4,136,057</u>	<u>\$ 4,551,251</u>
 Covered payroll	 7,715,698	 7,715,698	 7,740,661
Total OPEB liability as a percentage of covered payroll	47.85%	53.61%	58.80%
	<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
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)
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>\$ 4,001,823</u>	<u>\$ 3,126,426</u>	<u>\$ 3,121,234</u>
 Covered payroll	 7,740,661	 8,360,051	 8,360,051
Total OPEB liability as a percentage of covered payroll	51.70%	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%
2021	2.21%
2022	2.16%
2023	3.69%

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

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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.
- **Opioid Settlement Fund:** This fund accounts for the proceeds of National Opioid Settlement dollars to be spent in accordance with the Board of Commissioners approved spending plans.

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Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem Taxes			
Current year	\$ 12,795,756	\$ 12,831,341	\$ 35,585
Prior Year	250,000	172,740	(77,260)
Penalties and interest	130,000	98,873	(31,127)
Total	<u>13,175,756</u>	<u>13,102,954</u>	<u>(72,802)</u>
Other Taxes and Licenses			
Sales Tax	5,652,107	6,635,412	983,305
Medicaid hold harmless	681,354	806,120	124,766
Privilege License	-	565	565
Cable television	12,225	11,193	(1,032)
Total	<u>6,345,686</u>	<u>7,453,290</u>	<u>1,107,604</u>
Unrestricted Intergovernmental Revenues			
Beer and wine	88,500	92,047	3,547
Indirect costs	91,374	55,370	(36,004)
ABC Distribution	15,000	33,091	18,091
DWI State/Civil license revocation	1,000	867	(133)
Total	<u>195,874</u>	<u>181,375</u>	<u>(14,499)</u>
Restricted Intergovernmental Revenues			
Federal and state grants	1,023,882	664,502	(359,380)
DSS Federal and state grants	3,031,290	2,256,573	(774,717)
Health Federal and state grants	1,172,351	987,847	(184,504)
Court facilities fees	59,800	29,039	(30,761)
ABC Board bottle tax	5,000	10,090	5,090
EMS Medicaid Cost Settlement	40,000	352,027	312,027
School resource officer	131,432	128,226	(3,206)
Golden Leaf Grant	-	40,000	40,000
Total	<u>5,463,755</u>	<u>4,468,304</u>	<u>(995,451)</u>
Permits and Fees			
Subdivision fees	2,000	2,580	580
Building permits and inspection fees	244,200	279,510	35,310
Outdoor storage ordinance	300	500	200
Tax collections fees	12,000	10,985	(1,015)
Register of Deeds	131,089	149,238	18,149
ROD Automation Funds	9,272	7,510	(1,762)
Concealed weapon permit	36,147	45,661	9,514
Impound fee	2,500	1,280	(1,220)
Civil case processing	23,500	32,234	8,734
Jail telephone fees	19,070	43,202	24,132
Parks & Recreation fees	40,100	52,544	12,444
Farmer lake fees	10,300	12,038	1,738
Tax and map cards/GIS	850	175	(675)
Planning and zoning fees	2,600	3,100	500
Other	6,600	11,309	4,709
Total	<u>540,528</u>	<u>651,866</u>	<u>111,338</u>

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Sales and Services			
Rents, concessions and fees	116,426	38,909	(77,517)
Ambulance fees	877,000	1,059,106	182,106
Health department fees	1,028,706	1,331,674	302,968
Senior fees	6,500	3,365	(3,135)
Library fees	4,500	7,654	3,154
Detention center fees	740,024	962,046	222,022
Lease income	-	47,757	47,757
Other	10,000	59,488	49,488
Total	2,783,156	3,509,999	726,843
Interest on investments	6,500	334,848	328,348
Miscellaneous			
Other	40,100	28,479	(68,579)
Sales tax refund	4,500	-	(4,500)
Insurance Settlement	-	8,458	(8,458)
Total	44,600	36,937	(81,537)
Total Revenues	28,555,855	29,739,573	1,109,844
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits	66,204	66,668	(464)
Other operating expenditures	22,080	11,073	11,007
Total	88,284	77,741	10,543
Administration			
Salaries and employee benefits	358,571	485,839	(127,268)
Other operating expenditures	133,378	130,113	3,265
Total	491,949	615,952	(124,003)
Board of Elections			
Salaries and employee benefits	138,351	134,694	3,657
Other operating expenditures	93,825	46,641	47,184
Total	232,176	181,335	50,841
Finance			
Salaries and employee benefits	433,593	331,886	101,707
Other operating expenditures	101,259	216,172	(114,913)
Total	534,852	548,058	(13,206)
Tax Office			
Salaries and employee benefits	347,174	346,475	699
Other operating expenditures	223,250	138,026	85,224
Total	570,424	484,501	85,923

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Register of Deeds			
Salaries and employee benefits	182,078	182,153	(75)
Other operating expenditures	37,254	23,790	13,464
Total	219,332	205,943	13,389
Court Facilities			
Other operating expenditures	61,600	57,745	3,855
Capital Outlay	1,200	-	1,200
Total	62,800	57,745	5,055
Public Facilities			
Salaries and employee benefits	399,996	370,770	29,226
Other operating expenditures	415,179	438,562	(23,383)
Capital Outlay	276,331	246,048	30,283
Total	1,091,506	1,055,380	36,126
Fleet Management			
Other operating expenditures	2,000	1,778	222
Capital Outlay	-	272,261	(272,261)
Total	2,000	274,039	(272,039)
Information Technology			
Salaries and employee benefits	181,833	134,152	47,681
Other operating expenditures	140,850	168,155	(27,305)
Capital Outlay	125,500	91,300	34,200
Total	448,183	393,607	54,576
Nondepartmental			
Health insurance-retirees	136,500	140,340	(3,840)
Unemployment insurance	45,000	-	45,000
Payroll penalties	-	55,396	(55,396)
Professional Services	83,937	38,785	45,152
Supplies	6,500	6,921	(421)
Maintenance and repairs	-	1,741	(1,741)
Advertising	1,500	5,508	(4,008)
Dues and subscription	33,500	28,184	5,316
Insurance bond	360,600	399,927	(39,327)
Software Maintenance	210,508	131,390	79,118
Wellness benefits/ activities	10,000	12,252	(2,252)
Copier Rental Fee	11,500	9,297	2,203
Telecommunications	10,000	13,995	(3,995)
NCVTS Fees	-	43,774	(43,774)
Credit Card Fee	-	4,806	(4,806)
Total	909,545	892,316	17,229
Total General Government	4,651,051	4,786,617	(135,566)

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Public safety:			
Sheriff			
Salaries and employee benefits	2,872,315	2,700,920	171,395
Other operating expenditures	441,000	507,948	(66,948)
Capital Outlay	561,587	1,124,185	(562,598)
Total	3,874,902	4,333,053	(458,151)
Jail			
Salaries and employee benefits	1,276,116	1,241,481	34,635
Other operating expenditures	619,275	668,552	(49,277)
Capital Outlay	-	23,435	(23,435)
Total	1,895,391	1,933,468	(38,077)
Emergency Management			
Salaries and employee benefits	64,398	62,590	1,808
Other operating expenditures	257,225	246,772	10,453
Total	321,623	309,362	12,261
911 communications			
Salaries and employee benefits	869,507	724,537	144,970
Other operating expenditures	105,684	97,230	8,454
Capital Outlay	93,250	93,250	-
Total	1,068,441	915,017	153,424
School resource officer			
Salaries and employee benefits	172,081	181,726	(9,645)
Other operating expenditures	10,175	-	10,175
Total	182,256	181,726	530
Inspections			
Salaries and employee benefits	219,323	240,589	(21,266)
Other operating expenditures	27,500	25,426	2,074
Total	246,823	266,015	(19,192)
Emergency medical services			
Salaries and employee benefits	2,270,798	2,027,292	243,506
Other operating expenditures	338,606	383,950	(45,344)
Capital outlay	351,411	231,579	119,832
Total	2,960,815	2,642,821	317,994
Coroner			
Autopsy	21,500	14,950	6,550
Total	21,500	14,950	6,550
Total Public Safety	10,571,751	10,596,412	(24,661)

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Environmental Protection			
Soil and water conservation service			
Salaries and employee benefits	114,914	114,735	179
Other operating expenditures	14,594	5,994	8,600
Total	129,508	120,729	8,779
Total Environmental Protection	129,508	120,729	8,779
Economic and Physical Development:			
Economic Development			
Salaries and benefits	41,532	25,984	15,548
Other operating expenditures	224,800	156,161	68,639
Total	266,332	182,145	84,187
Extension Service			
Salaries and employee benefits	413,644	210,440	203,204
Other operating expenditures	28,750	213,384	(184,634)
Total	442,394	423,824	18,570
Planning Board			
Salaries and employee benefits	86,052	122,537	(36,485)
Other operating expenditures	8,950	6,220	2,730
Total	95,002	128,757	(33,755)
Total Economic and Physical Development	803,728	734,726	69,002
Human services:			
Health			
Salaries and employee benefits	2,358,943	1,901,018	457,925
Other operating expenditures	948,237	743,116	205,121
Capital outlay	217,754	173,779	43,975
Total	3,524,934	2,817,913	707,021
Mental Health			
Other	5,000	-	5,000
Alcohol rehabilitation	92,197	-	92,197
Total	97,197	-	97,197
Animal control			
Salaries and employee benefits	103,257	105,085	(1,828)
Other operating expenditures	18,050	13,841	4,209
Total	121,307	118,926	2,381
Social Services Administration			
Salaries	3,065,391	2,691,814	373,577
Other operating expenditures	527,130	375,936	151,194
Capital outlay	87,406	61,401	26,005
Total	3,679,927	3,129,151	550,776

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
JOBS			
Supportive Services	20,000	360	19,640
Total	20,000	360	19,640
 Aid to families with dependent children			
Program payments	745,672	204,249	541,423
 General Aid			
Program Payments	245,408	130,014	115,394
 Senior Services			
Salaries and employee benefits	278,444	271,947	6,497
Other operating expenditures	461,538	308,389	153,149
Total	739,982	580,336	159,646
 DJJDP			
Salaries and employee benefit	87,139	83,465	3,674
Other operating expenditures	35,376	39,136	(3,760)
Total	122,515	122,601	(86)
 Special appropriations			
Food Council	36,500	56,500	(20,000)
Caswell Parish, INC	20,000	20,000	-
Cooperative Forestry	98,146	98,146	-
CCR&R partnership	3,000	3,000	-
Caswell Historical Society	12,500	12,500	-
Animal Protection Society	140,400	138,700	1,700
Horticulture Society	6,000	5,506	494
Art Council	2,500	2,500	-
Other	20,000	-	20,000
Total	339,046	336,852	2,194
Total Human Services	9,635,988	7,440,402	2,195,586

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Cultural and Recreational:			
Library			
Salaries and employee benefits	337,427	318,327	19,100
Other operating expenditures	112,568	117,169	(4,601)
Capital Outlay	36,840	30,400	6,440
Total	486,835	465,896	20,939
Recreation			
Salaries and employee benefits	212,649	209,379	3,270
Other operating expenditures	92,450	98,654	(6,204)
Total	305,099	308,033	(2,934)
Farmer Lake			
Salaries and employee benefits	66,585	67,708	(1,123)
Other operating expenditures	19,800	15,336	4,464
Capital Outlay	4,000	1,266	2,734
Total	90,385	84,310	6,075
Total Cultural and Recreational	882,319	858,239	24,080
Education:			
Public School			
Current Expense	2,600,000	2,600,000	-
Capital Outlay	465,000	465,000	-
Social Worker	55,000	55,000	-
Piedmont Community College			
Current Expense	373,018	488,018	(115,000)
Capital Outlay	115,000	-	115,000
Total Education	3,608,018	3,608,018	-
Debt service:			
Principal	1,505,689	1,636,157	(130,468)
Interest payments	22,950	215,821	(192,871)
Total debt service	1,528,639	1,851,978	(323,339)
Total expenditures	31,811,002	29,997,121	1,813,881
Revenue over (under) expenditures	(3,255,147)	(257,548)	2,997,599
Other financing sources (uses):			
Proceeds from lease liabilities issued	-	939,532	939,532
Sale of Equipment	-	53,640	53,640
Transfers from other funds			
American Rescue Plan fund	2,849,291	2,787,480	(61,811)
School Capital Reserve fund	481,275	-	(481,275)
Total	3,330,566	2,787,480	(543,086)

Caswell County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Transfers to other funds			
School capital reserve fund	(1,044,129)	(273,824)	770,305
Special fire districts fund	(966,419)	(716,064)	250,355
Family Services Fund	(7,000)	(10,000)	(3,000)
Revaluation fund	(30,000)	(30,000)	-
Economic Development	-	(50,000)	(50,000)
Total	<u>(2,047,548)</u>	<u>(1,079,888)</u>	<u>967,660</u>
Appropriated fund balance	<u>1,972,129</u>	<u>-</u>	<u>(1,972,129)</u>
Total other financing sources (uses)	<u>3,255,147</u>	<u>2,700,764</u>	<u>(554,383)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>2,443,216</u>	<u>\$ 2,443,216</u>
Fund balance- July 1		<u>12,120,688</u>	
Prior Period Adjustment (see Note VIII)		<u>(1,332,200)</u>	
Fund balance- June 30		<u>\$ 13,231,704</u>	

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Caswell County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
General government			
Revaluation of tax base	30,000	215,896	(185,896)
Revenues over (under) expenditures	(30,000)	(215,896)	(185,896)
Other Financing Sources (Uses)			
Transfers from other funds			
General Fund	30,000	30,000	-
Total Other Financing Sources (Uses)	30,000	30,000	-
Excess of Revenues and Other Sources Over(Under) Expenditures	\$ -	(185,896)	\$ (185,896)
Fund balance, beginning		250,458	
Fund balance, ending		\$ 64,562	

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, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Interest on Investments	\$ -	\$ 61,092	\$ 61,092
Total Revenues	-	61,092	61,092
Expenditures			
Reserve	562,854	-	562,854
Total Expenditures	562,854	-	562,854
Revenues Over (Under) Expenditures	(562,854)	61,092	623,946
Other Financing Sources (Uses)			
Transfer from other funds			
General Fund	1,044,129	273,824	(770,305)
Transfers to other funds			
General Fund	(481,275)	-	(481,275)
Total Other Financing Sources (Uses)	562,854	273,824	(1,251,580)
Revenues and other sources over (under) expenditures and other uses	\$ -	334,916	\$ (627,634)
Fund balance, beginning		2,571,806	
Fund balance, ending		\$ 2,906,722	

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, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ 2,975	\$ 1,344	\$ 4,319	\$ 4,319
State Needs-Based Grant	15,000,000	13,998,092	-	13,998,092	(1,001,908)
Total Revenue	15,000,000	14,001,067	1,344	14,002,411	(997,589)
Expenditures					
Education					
BYHS Construction Project					
Administrative Cost	2,600,000	443,165	25,800	468,965	2,131,035
Furniture and Equipment	1,550,000	2,190,480	80,375	2,270,855	(720,855)
Building Structure	-	212,070	-	212,070	(212,070)
Construction	24,888,537	21,448,152	1,881,238	23,329,390	1,559,147
Contingency	1,142,825	-	-	-	1,142,825
Debt Service					
Principal	-	-	-	-	-
Interest	-	552,300	132,705	685,005	(685,005)
Issuance Costs	-	-	36,400	36,400	(36,400)
Total Expenditures	30,181,362	24,846,167	2,156,518	27,002,685	3,178,677
Revenues over (under) expenditures	(15,181,362)	(10,845,100)	(2,155,174)	(13,000,274)	2,181,088
Other Financing Sources (Uses)					
Loan Proceeds	15,181,362	13,151,065	13,050,000	26,201,065	11,019,703
Payoff Bond Anticipation Note	-	-	(13,150,000)	(13,150,000)	(13,150,000)
Total Other Financing Sources (Uses)	15,181,362	13,151,065	(100,000)	13,051,065	(2,130,297)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ 2,305,965	(2,255,174)	\$ 50,791	\$ 50,791
Fund balance, beginning			2,305,965		
Fund balance, ending			\$ 50,791		

Caswell County, North Carolina
Opioid Settlement Fund
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Opioid Settlement		\$ 144,377	
Total Revenues	\$ -	144,377	\$ -
Expenditures:			
Human Services			
Opioid expenditures		-	
Total	-	-	-
Revenues over (under) expenditures	-	144,377	-
Other Financing Sources (Uses)			
Transfer to other funds	-	-	-
Total other financing sources	-	-	-
Revenues over (under) expenditures and other financing sources (uses)	\$ -	144,377	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ 144,377	

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 to record property and sales tax remittances to the fire districts.
- **Emergency Telephone System Fund:** This fund is used to record revenues from the State 911 Board and eligible expenditures.
- **Family Services of Caswell Fund:** This fund is used to account for grant used to provide safety and support for victims of domestic violence.
- **Economic Development/Tourism/Occupancy Tax Fund:** This fund is used to collect occupancy tax revenues for distribution to the Caswell County Tourism Development Authority.
- **Section 8 Housing Authority Fund:** This fund is used to set aside money for Section 8 activities.
- **Mini Grant Project Fund:** This fund is used to track funds from various small grants received for various functions.
- **Special Revenue Fund:** This fund is used to track funds received from miscellaneous sources (mainly donations and fundraisers) across multiple functions.
- **American Rescue Plan Fund:** This fund is used to account for American Rescue Plan transactions.
- **Riverside Furniture Project Fund:** This fund is used to account for an economic development grant for business expansion.
- **Representative Payee Fund:** This fund is used to account for DSS Client Funds.
- **Register of Deeds Remittance Fund:** This fund is used to account for Deed of Trust funds collected that are required to be remitted to the State.
- **Fines and Forfeitures Fund:** This fund is used to account for fines and forfeitures assessed that are required to be remitted to the Board of Educations.
- **Revolving Loan Fund:** This fund is used to account for an economic incentive grant loans.
- **Caswell Enterprise Center Fund:** This fund is used to account for project close outs for the Caswell Enterprise Center.

Caswell County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds							
	Special Fire District Fund	Emergency Telephone System Fund	Family Services of Caswell Fund	Economic Development Tourism/Occ. Tax Fund	Section 8 Housing Authority Fund	Mini Grant Project Fund	Special Revenue Fund	American Rescue Plan Fund
Assets								
Current Assets:								
Cash and cash equivalents	\$ 443,660	\$ 171,394	\$ -	\$ 51,009	\$ -	\$ 271,186	\$ 220,287	\$ -
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	600,000
Taxes receivable	30,426	-	-	-	-	-	-	-
Accounts receivable	44,510	20,270	124,798	3,526	2,377	18,253	-	-
Due from other governments	-	13,612	-	-	-	640	18,512	-
Notes Receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	72,771	-	-	-
Total assets	<u>\$ 518,596</u>	<u>\$ 205,276</u>	<u>\$ 124,798</u>	<u>\$ 54,535</u>	<u>\$ 75,148</u>	<u>\$ 290,079</u>	<u>\$ 238,799</u>	<u>\$ 600,000</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 275,597	\$ -	\$ 379	\$ 54,535	\$ 313	\$ -	\$ -	\$ -
Accrued wages payable	-	-	4,411	-	3,157	-	-	-
Due to other funds	-	-	226,633	-	2,517	-	-	-
Unspent CARES Act Funding	-	-	-	-	-	-	-	600,000
Total liabilities	<u>275,597</u>	<u>-</u>	<u>231,423</u>	<u>54,535</u>	<u>5,987</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Deferred Inflows of Resources	<u>30,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Nonspendable:								
Prepays	-	-	-	-	72,771	-	-	-
Restricted:								
Stabilization by State Statute	44,510	20,270	124,798	3,526	2,377	18,253	-	-
Public Safety	168,063	185,006	-	-	-	271,826	-	-
Economic Development	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-
Unassigned	-	-	(231,423)	(3,526)	(5,987)	-	238,799	-
Total fund balances	<u>212,573</u>	<u>205,276</u>	<u>(106,625)</u>	<u>-</u>	<u>69,161</u>	<u>290,079</u>	<u>238,799</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 518,596</u>	<u>\$ 205,276</u>	<u>\$ 124,798</u>	<u>\$ 54,535</u>	<u>\$ 75,148</u>	<u>\$ 290,079</u>	<u>\$ 238,799</u>	<u>\$ 600,000</u>

Caswell County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2023

	Riverside Furniture Project Fund	Representative Payee Fund	Register of Deeds Remittance Fund	Fines and Forfeitures Fund	Revolving Loan Fund	Caswell Enterprise Center Fund	Total
Assets							
Current Assets:							
Cash and cash equivalents	\$ 25,000	\$ 38,940	\$ 7,598	\$ 8,461	\$ 101,498	\$ -	\$ 1,339,033
Cash and cash equivalents - restricted	-	-	-	-	-	-	600,000
Taxes receivable	-	-	-	-	-	-	30,426
Accounts receivable	-	-	-	-	-	-	213,734
Due from other governments	-	-	-	-	-	-	32,764
Notes Receivable	-	-	-	-	71,494	-	71,494
Prepaid items	-	-	-	-	-	-	72,771
Total assets	<u>\$ 25,000</u>	<u>\$ 38,940</u>	<u>\$ 7,598</u>	<u>\$ 8,461</u>	<u>\$ 172,992</u>	<u>\$ -</u>	<u>\$ 2,360,222</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 7,598	\$ 8,461	\$ -	\$ -	\$ 346,883
Accrued wages payable	-	-	-	-	-	-	7,568
Due to other funds	-	-	-	-	-	58,906	288,056
Total liabilities	<u>-</u>	<u>-</u>	<u>7,598</u>	<u>8,461</u>	<u>-</u>	<u>58,906</u>	<u>1,242,507</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,426</u>
Fund balances							
Nonspendable:							
Prepays	-	-	-	-	-	-	72,771
Restricted:							
Stabilization by State Statute	-	-	-	-	-	-	213,734
Public Safety	-	-	-	-	-	-	624,895
Economic Development	25,000	-	-	-	172,992	-	197,992
Human Services	-	38,940	-	-	-	-	38,940
Unassigned	-	-	-	-	-	(58,906)	(61,043)
Total fund balances	<u>25,000</u>	<u>38,940</u>	<u>-</u>	<u>-</u>	<u>172,992</u>	<u>(58,906)</u>	<u>1,087,289</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,000</u>	<u>\$ 38,940</u>	<u>\$ 7,598</u>	<u>\$ 8,461</u>	<u>\$ 172,992</u>	<u>\$ -</u>	<u>\$ 2,360,222</u>

Caswell County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds								
	Special Fire Tax District	Emergency Telephone System Fund	Family Services of Caswell Fund	Economic Development Tourism/Occ. Ta Fund	Section 8 Housing Authority Fund	Mini Grant Project Fund	Special Revenue Fund	American Rescue Plan Fund	Riverside Furniture Project Fund
Revenues									
Ad Valorem Taxes	\$ 1,004,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes and License	-	-	-	42,517	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	-	-	-	11,784	-	-
Restricted intergovernmental	-	243,244	416,484	-	1,030,784	70,843	98,394	2,787,480	287,500
Permits and Fees	-	-	71,030	-	-	-	2,375	-	-
Sales and Services	-	-	-	-	484	-	-	-	-
Miscellaneous	-	-	2,508	-	-	-	199,433	-	-
Total Revenues	1,004,201	243,244	490,022	42,517	1,031,268	70,843	311,986	2,787,480	287,500
Expenditures									
General Government	-	-	-	-	-	-	3,250	-	-
Public Safety	1,720,265	79,597	-	-	-	3,464	121	-	-
Economic Development	-	-	-	131,260	-	-	13,331	-	350,000
Human Services	-	-	470,987	-	1,029,372	-	72,108	-	-
Education	-	-	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	384	-	-	-
Total Expenditures	1,720,265	79,597	470,987	131,260	1,029,372	3,848	88,810	-	350,000
Revenues over (under) Expenditures	(716,064)	163,647	19,035	(88,743)	1,896	66,995	223,176	2,787,480	(62,500)
Other Financing Sources (Uses)									
Transfers- in									
General Fund	716,064	-	-	-	-	-	-	-	50,000
American Rescue Plan	-	-	10,000	-	-	-	-	-	-
Transfers-out									
General Fund	-	-	-	-	-	-	-	(2,787,480)	-
Total other financing sources (uses)	716,064	-	10,000	-	-	-	-	(2,787,480)	50,000
Change in Fund Balances	-	163,647	29,035	(88,743)	1,896	66,995	223,176	-	(12,500)
Fund Balance- July 1	212,573	41,629	(123,834)	88,743	77,017	223,084	(414,482)	-	37,500
Prior Period Adjustment (see Note VIII)	-	-	(11,826)	-	(9,752)	-	430,105	-	-
Fund Balance- June 30	\$ 212,573	\$ 205,276	\$ (106,625)	\$ -	\$ 69,161	\$ 290,079	\$ 238,799	\$ -	\$ 25,000

Caswell County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					
	Representative Payee Fund	Register of Deeds Remittance Fund	Fines and Forfeitures Fund	Revolving Loan Fund	Caswell Enterprise Center Fund	Total
Revenues						
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,004,201
Other Taxes and License	-	-	-	-	-	42,517
Unrestricted intergovernmental	-	-	-	-	-	11,784
Restricted intergovernmental	312,332	-	-	3,059	-	5,250,120
Permits and Fees	-	88,256	-	-	-	161,661
Sales and Services	-	-	60,545	-	-	61,029
Miscellaneous	-	-	-	-	-	201,941
Total Revenues	312,332	88,256	60,545	3,059	-	6,733,253
Expenditures						
General Government	-	88,256	-	-	-	91,506
Public Safety	-	-	-	-	-	1,803,447
Economic Development	-	-	-	-	3,140	497,731
Human Services	294,182	-	-	-	-	1,866,649
Education	-	-	60,545	-	-	60,545
Cultural and Recreational	-	-	-	-	-	384
Total Expenditures	294,182	88,256	60,545	-	3,140	4,320,262
Revenues over (under) Expenditures	18,150	-	-	3,059	(3,140)	2,412,991
Other Financing Sources (Uses)						
Transfers- in						
General Fund	-	-	-	-	-	766,064
American Rescue Plan	-	-	-	-	-	10,000
Transfers-out						
General Fund	-	-	-	-	-	(2,787,480)
Total other financing sources (uses)	-	-	-	-	-	(2,011,416)
Change in Fund Balances	18,150	-	-	3,059	(3,140)	401,575
Fund Balance- July 1	20,790	(1,358)	3,593	169,933	(55,766)	279,422
Prior Period Adjustment (see Note VIII)	-	1,358	(3,593)	-	-	406,292
Fund Balance- June 30	\$ 38,940	\$ -	\$ -	\$ 172,992	\$ (58,906)	\$ 1,087,289

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, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Ad valorem taxes	\$ 598,586	\$ 1,004,201	\$ 405,615
Sales taxes	6,000	-	(6,000)
Total Revenues	<u>604,586</u>	<u>1,004,201</u>	<u>399,615</u>
Expenditures			
Public Safety			
Sales tax distribution	-	206,459	(206,459)
Travel	1,500	1,500	-
Aid to volunteer fire departments	920,066	1,004,201	(84,135)
Rescue operations	30,000	30,000	-
Capital outlay	619,439	478,105	141,334
Total Expenditures	<u>1,571,005</u>	<u>1,720,265</u>	<u>(149,260)</u>
Revenues over (under) expenditures	(966,419)	(716,064)	250,355
Other Financing Sources (Uses)			
Transfer from other funds			
General Fund	966,419	716,064	(250,355)
Total Other Financing Sources (Uses)	<u>966,419</u>	<u>716,064</u>	<u>(250,355)</u>
Excess of Revenues and Other Sources over (under) expenditures and other uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning		<u>212,573</u>	
Fund Balance, ending		<u>\$ 212,573</u>	

Caswell County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted Intergovernmental revenues:			
PSAP Funds	\$ 243,244	\$ 243,244	\$ -
Total Revenues	243,244	243,244	-
Expenditures			
Public Safety:			
Telephone	50,000	6,886	43,114
Maintenance and repairs	200,000	53,317	146,683
Other expenses	50,000	-	50,000
Training	30,000	1,309	28,691
Capital Outlay	100,000	18,085	81,915
Total Expenditures	430,000	79,597	350,403
Revenues over (under) expenditures	(186,756)	163,647	350,403
Other Financing Sources (Uses)			
Fund balance appropriated	186,756	-	(186,756)
Total Other Financing Sources (uses)	186,756	-	(186,756)
Excess of Revenues and Other Sources over (under) expenditures	\$ -	163,647	\$ 163,647
Fund balance, beginning		41,629	
Fund balance, ending		\$ 205,276	

Emergency Telephone System Unspent Balance

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

Ending Fund Balance Per Submitted PSAP Report	\$ 581,541
2018 Funding Reconsideration Approved Retroactively by PSAP Board in November 2014	(182,669)
Ineligible Expenses	(8,061)
Adjusted PSAP Report Ending Balance	<u>\$ 390,811</u>
 FY23 Fund Balance per Financial Statements	 \$ 205,276
Reimbursement of 2018 to 2022 Ineligible Expenses - Action Taken by Caswell County Board 12/2/2024	 185,535
Adjusted County Fund Balance	<u>\$ 390,811</u>

Caswell County, North Carolina
Family Services of Caswell County
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Federal and State Grants	\$ 519,951	\$ 416,484	\$ (103,467)
Permits and Fees	17,500	71,030	53,530
Miscellaneous	3,931	2,508	(1,423)
Total Revenues	<u>541,382</u>	<u>490,022</u>	<u>(51,360)</u>
Expenditures			
Human Services			
Salaries and benefits	192,953	226,794	(33,841)
Other operating services	250,745	153,457	97,288
Capital Outlay	107,684	90,736	16,948
Total Expenditures	<u>551,382</u>	<u>470,987</u>	<u>63,447</u>
Revenues over (under) expenditures	(10,000)	19,035	12,087
Other Financing Sources (Uses)			
Transfer from other funds			
American Rescue Plan	10,000	10,000	-
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of Revenues and Other Sources over (under) expenditures and other uses	<u>\$ -</u>	29,035	<u>\$ 12,087</u>
Fund Balance, beginning		(123,834)	
Prior Period Adjustment (see Note VIII)		<u>(11,826)</u>	
Fund Balance, beginning, restated		<u>(135,660)</u>	
Fund Balance, ending		<u>\$ (106,625)</u>	

Caswell County, North Carolina
Economic Development/Tourism/Occupancy Tax Fund
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Occupancy tax	\$ 8,000	\$ 42,517	\$ 34,517
Total Revenues	<u>8,000</u>	<u>42,517</u>	<u>34,517</u>
Expenditures			
Economic Development			
Tourism promotion	8,000	131,260	(123,260)
Total Expenditures	<u>8,000</u>	<u>131,260</u>	<u>(123,260)</u>
Excess of Revenues and Other Sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(88,743)</u>	<u>\$ (88,743)</u>
Fund Balance, beginning		<u>88,743</u>	
Fund Balance, ending		<u>\$ -</u>	

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Caswell County, North Carolina
Section 8 Housing Authority Fund
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
Revenues			
Restricted Intergovernmental	\$ 1,073,000	\$ 1,030,784	\$ (42,216)
Sales and Services	2,000	484	(1,516)
Total Revenues	<u>1,075,000</u>	<u>1,031,268</u>	<u>(43,732)</u>
Expenditures			
Human Services			
Salaries and benefits	162,589	159,812	2,777
Other operating services	19,834	14,817	5,017
Housing assistance payments	900,000	853,068	46,932
Debt service payments	-	1,675	(1,675)
Total Expenditures	<u>1,082,423</u>	<u>1,029,372</u>	<u>53,051</u>
Revenues over (under) expenditures	(7,423)	1,896	9,319
Other Financing Sources (Uses)			
Appropriated fund balance	7,423	-	(7,423)
Total Other Financing Sources (Uses)	<u>7,423</u>	<u>-</u>	<u>(7,423)</u>
Excess of Revenues and Other Sources over (under) expenditures and other uses	<u>\$ -</u>	1,896	<u>\$ 1,896</u>
Fund Balance, beginning		<u>77,017</u>	
rior Period Adjustment (see Note VIII)		<u>(9,752)</u>	
Fund Balance, beginning, restated		<u>67,265</u>	
Fund Balance, ending		<u>\$ 69,161</u>	

Caswell County, North Carolina
Mini Grant Project Fund
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Federal and State Grants	\$ -	\$ 70,843	\$ 70,843
Total Revenues	-	70,843	70,843
Expenditures			
Public Safety - Other operating expenses	-	3,464	(3,464)
Cultural and Recreational	-	384	(384)
Total Expenditures	-	3,848	(3,848)
Excess of Revenues and Other Sources over (under) expenditures and other uses	\$ -	66,995	\$ 66,995
Fund Balance, beginning		223,084	
Fund Balance, ending		\$ 290,079	

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Caswell County, North Carolina
Special Revenue Fund
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Unrestricted intergovernmental funds	\$ -	\$ 11,784	\$ 11,784
Restricted intergovernmental funds	-	98,394	98,394
Permits and Fees	-	2,375	2,375
Miscellaneous	-	199,433	199,433
Total Revenues	-	311,986	311,986
Expenditures			
General Government	-	3,250	(3,250)
Public Safety	-	121	(121)
Economic and Physical Development	-	13,331	(13,331)
Human Services	-	72,108	(72,108)
Total Expenditures	-	88,810	(88,810)
Revenues over (under) expenditures	-	223,176	223,176
Excess of Revenues and Other Sources over (under) expenditures and other uses	\$ -	223,176	\$ 223,176
Fund Balance, beginning		(414,482)	
Prior Period Adjustment (see Note VIII)		430,105	
Fund Balance, beginning, restated		15,623	
Fund Balance, ending		\$ 238,799	

Caswell County, North Carolina
Riverside Furniture Project Fund
Schedule of Revenues, Expenditures And Changes in Fund Balance- Budget and Actual
From Inception and For the Year Ended June 30, 2023

		Actual			Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental funds	\$ 400,000	\$ 37,500	\$ 287,500	\$ 325,000	\$ (75,000)
Total Revenues	<u>400,000</u>	<u>37,500</u>	<u>287,500</u>	<u>325,000</u>	<u>(75,000)</u>
Expenditures					
Economic and Physical Development	<u>462,500</u>	<u>12,500</u>	<u>350,000</u>	<u>362,500</u>	<u>100,000</u>
Total Expenditures	<u>462,500</u>	<u>12,500</u>	<u>350,000</u>	<u>362,500</u>	<u>100,000</u>
Revenues over (under) expenditures	(62,500)	25,000	(62,500)	(37,500)	25,000
Other Financing Sources (Uses)					
Transfer (to) from other funds					
General Fund	<u>62,500</u>	<u>12,500</u>	<u>50,000</u>	<u>62,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>62,500</u>	<u>12,500</u>	<u>50,000</u>	<u>62,500</u>	<u>-</u>
Excess of Revenues and Other Sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 37,500</u>	(12,500)	<u>\$ 25,000</u>	<u>\$ 25,000</u>
Fund Balance, beginning			37,500		
Fund Balance, ending			<u>\$ 25,000</u>		

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Caswell County, North Carolina
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
<u>REVENUES</u>			
Restricted Intergovernmental	\$125,000	\$ 312,332	\$ 187,332
Total revenues	<u>125,000</u>	<u>312,332</u>	<u>187,332</u>
<u>EXPENDITURES</u>			
Human Services			
Payments of fees collected to the			
State of North Carolina	125,000	294,182	(169,182)
Total Expenditures	<u>125,000</u>	<u>294,182</u>	<u>(169,182)</u>
Net change in fund balance	<u>\$ -</u>	18,150	<u>\$ 18,150</u>
Fund balance, beginning		<u>20,790</u>	
Fund balance, ending		<u>\$ 38,940</u>	

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Caswell County, North Carolina
Register of Deeds Remittance Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
<u>REVENUES</u>			
Permits and fees	\$ -	\$ 88,256	\$ 88,256
Total revenues	-	88,256	88,256
<u>EXPENDITURES</u>			
General Government			
Payments made for the benefit of beneficiaries	-	88,256	(88,256)
Total Expenditures	-	88,256	(88,256)
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		(1,358)	
Prior period adjustment (see Note VIII)		1,358	
Fund balance, beginning, as restated		-	
Fund balance, ending		\$ -	

Caswell County, North Carolina
Fines and Forfeitures
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
<u>REVENUES</u>			
Sales and services			
Penalties, fines and forfeitures	\$ 75,000	\$ 60,545	\$ (14,455)
Total revenues	<u>75,000</u>	<u>60,545</u>	<u>(14,455)</u>
<u>EXPENDITURES</u>			
General Government			
Payments of penalties, fines and forfeitures to the			
Board of Education	75,000	60,545	14,455
Total Expenditures	<u>75,000</u>	<u>60,545</u>	<u>14,455</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		3,593	
Prior period adjustment (see Note VIII)		(3,593)	
Fund balance, beginning, as restated		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

Caswell County, North Carolina
Revolving Loan Fund
Schedule of Revenues, Expenditures and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted Intergovernmental revenues:			
Loan Repayment	\$ -	\$ 23,999	\$ 23,999
Total Revenues	-	23,999	23,999
Expenditures			
Economic Development	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>23,999</u>	<u>\$ 23,999</u>
Reconciling items:			
Debt payments are reclassified against accounts receivable balance		<u>20,940</u>	
Total Reconciling items		<u>20,940</u>	
Current year change in fund balance		3,059	
Fund balance, beginning		<u>169,933</u>	
Fund balance, ending		<u>\$ 172,992</u>	

Caswell County, North Carolina
Caswell Enterprise Center Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	2023		Variance Positive (Negative)
	Budget	Actual	
Expenditures			
Economic Development			
Capital outlay	\$ -	\$ 3,140	\$ (3,140)
Total Expenditures	-	3,140	(3,140)
Revenues over (under) expenditures	-	(3,140)	(3,140)
Other Financing Sources (Uses)			
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources over (under) Expenditures and Other uses	\$ -	(3,140)	\$ (3,140)
Fund balance, beginning		(55,766)	
Fund balance, ending		\$ (58,906)	

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Caswell County, North Carolina
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Funds)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
ARP Funds	\$ 4,390,562	\$ 1,003,082	\$ 2,787,480	\$ 3,790,562	\$ (600,000)
Total revenues	4,390,562	1,003,082	2,787,480	3,790,562	(600,000)
<u>Expenditures</u>					
General Government					
Unassigned ARP Expenditures	930,000	70,472	-	70,472	859,528
Total	930,000	70,472	-	70,472	859,528
Other financing sources(uses)					
Transfer Out	(3,460,562)	(932,610)	(2,787,480)	(3,720,090)	(259,528)
Total other financing sources (uses)	(3,460,562)	(932,610)	(2,787,480)	(3,720,090)	(259,528)
Revenues and other sources					
over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning					
Fund balance, ending			\$ -		

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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, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Charges for service - user fees		\$ 1,037,259	
Tire disposal tax		42,269	
Solid waste disposal tax		21,883	
Tipping fees		454,503	
Recycling		9,765	
Miscellaneous Revenue		20	
Total Revenues	\$ 1,565,425	1,565,699	\$ 274
EXPENDITURES			
Operations			
Salaries		258,640	
Other expenses		1,179,580	
Debt Service		63,131	
Total expenditures	1,576,425	1,501,351	75,074
Revenues over (under) expenditures	(11,000)	64,348	75,348
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	14,000	-	(14,000)
Reserves	(3,000)	-	3,000
Total other financing sources (uses)	11,000	-	(11,000)
Revenues over (under) other financing sources (uses)	\$ -	64,348	\$ 64,348
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Depreciation		(76,342)	
Debt Service Principal retirement		56,254	
Change in deferred outflows of resources - pensions		(18,628)	
Change in deferred outflows of resources - OPEB		12,933	
Change in net pension liability		56,564	
Change in net OPEB liability		(13,978)	
Change in deferred inflows of resources - pensions		(23,600)	
Change in deferred inflows of resources - OPEB		9,906	
Change in accrued vacation payable		6,787	
Total reconciling items		9,896	
Change in net position		\$ 74,244	

Caswell County, North Carolina
Caswell Department of Transportation Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Positive (Negative)
REVENUES			
Changes for service- user fees	\$ 442,168	\$ 444,038	\$ 1,870
Interest on investment	200	-	(200)
CARES Act Funding	190,379	177,691	(12,688)
Total Revenues	632,747	621,729	(11,018)
EXPENDITURES			
Administration			
Salaries	119,533	108,762	10,771
Other expenses	54,077	36,506	17,571
Total	173,610	145,268	28,342
Operations			
Salaries	273,196	301,612	(28,416)
Other expenses	113,761	104,710	9,051
Capital outlay	113,818	42,626	71,192
Total	500,775	448,948	51,827
Total Expenditures	674,385	594,216	80,169
Revenues over (under) expenditures	(41,638)	27,513	69,151
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	30,638	-	(30,638)
Sale of capital assets	11,000	31,648	20,648
Total other financing sources (uses)	41,638	31,648	(9,990)
Revenues over (under) other financing sources (uses)	\$ -	59,161	\$ 59,161
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Depreciation		(109,102)	
Change in deferred outflows of resources - pensions		(32,591)	
Change in deferred outflows of resources - OPEB		4,157	
Change in net pension liability		98,962	
Change in net OPEB liability		(11,109)	
Change in deferred inflows of resources - pensions		(41,289)	
Change in deferred inflows of resources - OPEB		7,872	
Change in accrued vacation payable		5,967	
Total reconciling items		(77,133)	
Change in net position		\$ (17,972)	

CUSTODIAL FUND

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

- **Jail Inmate Fund:** This custodial fund is used to account for receipts and disbursements of funds held for jail inmates.
- **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.

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Caswell County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 80,143	\$ 24,614	\$ 104,757
Accounts receivable	3,070	-	3,070
Taxes receivable for other	9,812	-	9,812
Total assets	<u>93,025</u>	<u>24,614</u>	<u>117,639</u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>77,915</u>	-	<u>77,915</u>
Total liabilities	<u>77,915</u>	-	<u>77,915</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	15,110	24,614	39,724
Total net position	<u>\$ 15,110</u>	<u>\$ 24,614</u>	<u>\$ 39,724</u>

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Caswell County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 395,978	\$ -	\$ 395,978
Collections on behalf of inmates	-	215,173	215,173
Total additions	<u>395,978</u>	<u>215,173</u>	<u>611,151</u>
DEDUCTIONS			
Tax distributions to other governments	395,978	-	395,978
Payments on behalf of inmates	-	207,464	207,464
Total deductions	<u>395,978</u>	<u>207,464</u>	<u>603,442</u>
Net increase (decrease) in fiduciary net position	-	7,709	7,709
Net position, beginning	<u>15,110</u>	<u>16,905</u>	<u>32,015</u>
Net position, ending	<u>\$ 15,110</u>	<u>\$ 24,614</u>	<u>\$ 39,724</u>

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OTHER SCHEDULES

This schedule contains additional information required on property taxes

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

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Caswell County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2023	\$ -	\$ 13,014,540	\$ 12,831,341	\$ 183,199
2022	153,926		64,516	89,410
2021	90,217		18,721	71,496
2020	76,097		11,710	64,387
2019	46,701		4,220	42,481
2018	37,396		5,233	32,163
2017	30,592		3,964	26,628
2016	24,904		2,310	22,594
2015	22,919		2,202	20,717
2014	40,207		2,601	37,606
2013	40,347		40,347	-
Totals	<u>\$ 563,306</u>	<u>\$ 13,014,540</u>	<u>\$ 12,987,165</u>	<u>590,681</u>
Less Allowance for Doubtful Accounts				(355,000)
Taxes Receivable (Net)				<u>\$ 235,681</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund			\$ 13,102,954	
Interest /penalties/adjustments			<u>(156,134)</u>	
				\$ 12,946,820
Amounts written off for tax year 2012-13 per statute of limitations				<u>(40,347)</u>
Total Collections and Credits				<u>\$ 12,906,473</u>

Caswell County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2023

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy County- Wide	\$ 1,763,348,812	0.735	\$ 12,970,739	\$ 11,389,211	\$ 1,581,528
Discoveries and Abatements	5,959,299	0.735	43,801	2,766	41,035
Total Property Valuation	<u>\$ 1,769,308,110</u>				
Net Levy			13,014,540	11,391,977	1,622,563
Uncollected taxes June 30, 2023			183,199	183,199	-
Current years taxes collected			<u>\$ 12,831,341</u>	<u>\$ 11,208,778</u>	<u>\$ 1,622,563</u>
Current levy collection percentage			<u>98.59%</u>	<u>98.39%</u>	<u>100.00%</u>

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COMPONENT UNIT

Discretely presented component unit without separately issued financial statements.
Presented as if it were a special revenue fund

- **Tourism Development Authority:** The Tourism Development Authority is used to account for occupancy tax revenues and related tourism expenditures.

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Caswell County, North Carolina
Tourism Development Authority Fund (A Component Unit)
Detailed Statement of Net Position
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 75,414
Accounts receivable	54,536
Due from other Governments	31
Total assets	<u>129,981</u>

LIABILITIES

Accounts payable and accrued liabilities	<u>-</u>
Total liabilities	<u>-</u>

NET POSITION

Restricted for:	
Tourism Promotion	129,981
Total net position	<u>\$ 129,981</u>

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Caswell County, North Carolina
Tourism Development Authority Fund (A Component Unit)
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Occupancy Tax	\$ -	\$ 131,258	\$ 131,258
Total Revenues	-	131,258	131,258
Expenditures:			
Tourism Development	-	1,277	(1,277)
Total	-	1,277	(1,277)
Revenues over (under) expenditures and other financing sources (uses)	\$ -	129,981	\$ 132,535
Fund balance, beginning		-	
Fund balance, ending		\$ 129,981	

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COMPLIANCE SECTION

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**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, 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, 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, 2023, and the related notes to the financial statements, which collectively comprise the Caswell County basic financial statements, and have issued our report thereon dated April 28, 2025. Our report includes a reference to other auditors who audited the financial statements of the Caswell County ABC Board, as described in our report on the Caswell 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 the Caswell County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caswell County's internal control over financial reporting (internal control) as a basis for designing 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 [2023-001, 2023-004, 2023-006, 2023-007] to be material weaknesses.

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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 [2023-002, 2023-003, 2023-005, 2023-008, 2023-009, 2023-010, 2023-011] to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Caswell County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-004, 2023-005, 2023-008, 2023-009, 2023-011].

Caswell County's Response to Findings

Caswell County's responses 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.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 28, 2025



**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, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on 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 the Caswell County's major federal programs for the year ended June 30, 2023. Caswell County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Caswell County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Caswell County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Caswell County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Caswell County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Caswell County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Example Entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Example Entity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items [2023-012]. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Caswell County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-012] to be material weaknesses.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-013, 2023-014, 2023-015, 023-016] to be significant deficiencies

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Caswell County's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Caswell County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Caswell County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
April 28, 2025



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**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, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Caswell County, North Carolina, 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 the Caswell County's major State programs for the year ended June 30, 2023. Caswell County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

Basis for Opinion on Each Major State Program

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 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Caswell County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Caswell County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Caswell County State programs.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Caswell County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Caswell County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Caswell County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Caswell County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Caswell County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-013, 2023-014, 2023-015, 2023-016, 2023-017] that we consider to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Caswell County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. 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.

Caswell County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Caswell County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.
Whiteville, NC
April 28, 2025

DRAFT

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

 X yes no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? X yes no
- Significant Deficiency(s) identified X yes none reported

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:

Assistance Listing #

21.027

93.778

Program Name

Coronavirus State and Local Fiscal Recovery Funds

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

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified X yes none reported

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I. Summary of Auditors' Results (continued)

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

Any audit findings disclosed that are required to be reported in accordance
with the State Single Audit Implementation Act X yes no

Identification of major State programs:

Program Name
Medical Assistance Program
School Nurse Funding Initiative
Building Reuse
Emergency Management Capacity Building Competitive Grant

Dollar threshold used to determine a
State major program \$ 500,000

Auditee qualified as State low-risk
auditee? yes X no

Section II. Financial Statement Findings

Finding 2023-001 Reconciliation of Records

MATERIAL WEAKNESS

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

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted timely to include cash, receivables, payables, and other balance sheet accounts. Additionally, during our testing of daily collections we had issues tracing collections to general ledger postings and the bank statement.

Effect: The County's management and other users of the financial statements do not have accurate and timely information for decision making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-001.

Cause: Availability of adequate number of personnel in the finance and administration departments caused delays in reconciling account information and preparing for the annual audit and preparation of the financial statements.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Recommendation: The County should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants if additional assistance is required in order to prepare for the annual audit.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding 2023-002 Deficit Fund Balances Not Appropriated in the Next Fiscal Year

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: Per NC General Statute 159-13(b)(2) the County should maintain a positive fund balance in each of its funds or appropriate the deficit in the next fiscal year.

Condition: The County had three funds with a negative fund balance: Caswell Enterprise Center Fund, Family Services of Caswell Fund, and Solid Waste 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. This has a negative effect on fund balance in the General Fund.

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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-002.

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. Please refer to the corrective action plan for details.

Finding 2023-003 Prior Period Adjustment

SIGNIFICANT DEFICIENCY

Criteria: Management should have a system in place to verify that transactions are recorded in the correct period, thereby reducing the likelihood of errors in financial reporting.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Condition: An adjustment was recorded between the General Fund and Special Revenue Fund of \$430,105 to move expenses to the General Fund that were inadvertently left in the Special Revenue Fund. An additional adjustment to record unpaid payroll taxes in General Fund (\$97,602), Section 8 Housing Fund (\$984), Family Services Fund (\$1,385), Solid Waste (\$439) and Department of Transportation Fund (\$1,404); combined with an entry to correct accrued payroll in General Fund (\$804,492), Section 8 Housing Fund (\$8,768), Family Services Fund (\$10,441), Solid Waste (\$4,186) and Department of Transportation Fund (\$16,834). Adjustments of (\$3,593) and \$1,358 were made in the Fines and Forfeitures and Deed of Trust Fund, respectively to clean up expenses that were coded to the wrong fund. Also, (\$412,398) was recorded on the Governmental Activities to remove CIP. Total impact to the Governmental Activities was a decrease of \$1,338,886 and to Business-type activities a decrease of \$29,265.

Effect: The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: Items were discovered as the consultants worked with the County that resulted in corrections to these account balances.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-003.

Recommendation: The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely during the year.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding: 2023-004 Budget Violations
NONCOMPLIANCE/MATERIAL WEAKNESS

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Condition: The budget was overspent in the following General Fund departments: Administration (\$124,003), Finance (\$13,206), Fleet Management (\$272,039); Sheriff (\$458,151), Jail (\$38,077), Inspections (\$19,192), Planning Board (\$33,755), DJJDP (\$86), Recreation (\$2,934), Debt Service (\$323,339). The following funds also reported expenditures in excess of appropriations: the Revaluation Fund (\$185,896), Special Fire District Fund (\$149,260), Economic Development/Tourism/Occupancy Tax (\$123,260), and the Representative Payee Fund (\$169,182). The bond anticipation payoff was not budgeted in the School Capital Project Fund (\$13,150,000). Additionally, transfers were made from the General Fund to the Family Services Fund (\$3,000) in excess of the budgeted amount.

Effect: The Board spent funds that were not available for those respective departments and funds.

Cause: The County did not properly adopt and record budget amendments for the revenues and expenditures for these functions, which indicates that the pre-audit process was not effective.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-004.

Recommendation: The budget should be reviewed and appropriate amendments made during the year.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding: 2023-005 Budget Violation
NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance. G.S. 159-8(a) states that each local government shall operate under an annual balanced budget. In addition, GASB 84 identifies criteria when fiduciary activities should be reported as a special revenue fund. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balance is equal to appropriations.

Condition: Estimated revenues and appropriations were not budgeted for several funds: Mini Grant Project Fund, Special Revenue Fund, Register of Deeds Remittance Fund, or the Caswell Enterprise Center Fund.

Effect: Monies were spent that had not been appropriated, as there was no budget reflected for these funds.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Cause: The County did not properly adopt and record budget and budget amendments for the revenues and expenditures for these funds.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-005.

Recommendation: A budget should be prepared for each fund to ensure funds are properly authorized and are presented.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding: 2023-006 Late Submission of Audit

MATERIAL WEAKNESS

Criteria: The audit report is expected to be submitted within five months plus one day from the fiscal year end per the contract with the Local Government Commission. As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner.

Condition: The report was not finalized until 18 months after the required due date of October 31, 2023.

Effect: External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about each unit of local government.

Cause: The County's audits have been submitted late over the past several years. The County was unable to provide information necessary to complete the audit timely as a result of staffing issues and software conversion issues.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-006.

Recommendation: The County should allocate sufficient resources to ensure that all records are reconciled timely to allow time for the audit to be completed timely.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Finding: 2023-007 Retention of Records (Lack of Internal Controls)

MATERIAL WEAKNESS

Criteria: Internal controls are processes put into place by management to: protect assets; ensure that records are accurate; promote operational efficiency; achieve organizational missions and goals; and ensure compliance with policies, rules, regulations, and laws. The County should have controls in place to ensure that they are maintaining adequate documentation to substantiate each transaction recorded into the General Ledger.

Condition: There were several tests performed as part of the audit process that the County was not able to provide adequate documentation to substantiate the postings. When performing Health Department testing, the County could not provide any record of internal monitoring performed during the year. For expenditure testing, the County was unable to provide support for one of the twenty-four transactions requested in our search for unrecorded payables, nine of the twenty-eight transactions requested for travel, two of the two transactions requested for miscellaneous expenses testing, eight of the seventeen transactions requested for professional fees and contract expense analysis, one item out of forty-nine transactions requested in credit card testing, and two of the seventy-one transactions requested for capital outlay testing. For the revenue testing, there County was unable to provide support for three of the twelve transactions requested for the US Marshals Service revenue testing.

Effect: The County could be purchasing items that were not appropriately approved. Lack of internal controls results in an increased risk for fraud and abuse.

Cause: The County has had significant turnover in finance, and the new staff did not have adequate training before assuming the new roles. The new staff tried to find the documentation that was supposed to be maintained by the prior employees, but the files were poorly organized and some of the requested items could not be found.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-007.

Recommendation: The County should allocate sufficient resources to ensure that internal controls are properly implemented and that the financial records are properly maintained to support all transactions recorded in the general ledger.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Finding: 2023-008 Lack of Board Approval on Tax Releases and Refunds

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statutes § 105-381b the Board should be reviewing and approving tax releases and refunds or delegating its authority to determine requests for a release or refund of less than \$100 to the finance officer, manager, or attorney of the taxing unit.

Condition: The Board is not reviewing tax releases and refunds as required.

Effect: Releases and refunds may be granted that should not be.

Cause: The Board was not aware of their requirement to review tax releases and refunds.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-008.

Recommendation: The Board should be reviewing and approving tax releases and refunds at their routine meetings as required.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding: 2023-009 Daily Collections Not Deposited Timely

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statutes § 159-32 daily collections exceeding \$500 should be deposited daily.

Condition: During our testing it was noted that the Inspections/Planning department was holding daily collections until Friday. Additionally, Register of Deeds had 1 deposits of 31 tested that were not deposited timely.

Effect: The County is not in compliance with General Statutes, and delays in deposits increase the risk of misappropriation of assets.

Cause: Departments were not aware of the deposit requirements.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-009.

Recommendation: The County should review daily collection processes with all departments to ensure they are in compliance with the daily deposit requirement.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Finding: 2023-010 Lack of Internal Controls Around Payroll

SIGNIFICANT DEFICIENCY

Criteria: Internal controls are processes put into place by management to: protect asset; ensure that records are accurate; promote operational efficiency; achieve organizational missions and goals; and ensure compliance with policies, rules, regulations, and laws. The County should have controls in place to ensure that they are paying correct taxes, making payments as required, paying employees correct amounts.

Condition: During our testing of various payroll processes it was noted that deductions were not properly set up in the system and therefore payroll taxes were not properly calculated or paid.

Effect: The County may incur fines for missed payments. Additionally, they may be paying wages that were not earned. Lack of internal controls results in an increased risk of fraud and abuse.

Cause: Changes in software and payroll staff caused issues in setting up withholdings, missed payments and oversight of overtime processes.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-010.

Recommendation: The County should allocate sufficient resources to ensure that internal controls are properly implemented and that payroll processes are being completed correctly. All deductions should be reviewed to ensure they are set up in the system so that they are taxed correctly.

Views of responsible officials: The County agrees with this finding. Please refer to the corrective action plan for details.

Finding: 2023-011 General Statute Violation - Preaudit

NONCOMPLIANCE / SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statutes § 159-28 (GS 159-28), if an obligation is reduced to a written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with Incurring Obligations requirement. The certificate shall be signed by the finance officer, or any deputy finance officer approved for this purpose by the governing board.

Condition: The County did not have the required preaudit certificate on the face of the checks.

Effect: An obligation incurred in violation of Incurring Obligations or Preaudit requirement of GS 159-28 is invalid and may not be enforced.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. Financial Statement Findings (continued)

Cause:	No effective internal controls were in place to ensure the preaudit process was performed and documented.
Recommendation:	The County should establish internal control policies and procedures to ensure compliance with the preaudit requirement, in accordance with any rules adopted by the Local Government Commission.
Views of responsible officials and planned	The County agrees with this finding. Please refer to the corrective action plan for details.

Section III. Federal Award Findings and Questioned Costs

Finding: 2023-012 Late Submission of Data Collection Form

NONCOMPLIANCE / MATERIAL WEAKNESS

Criteria:	In accordance with the Single Audit Act of 1984 (amended in 1996), and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements for Federal Awards (Uniform Guidance), a single audit reporting package and data collection form is required to be submitted to the Federal Audit Clearinghouse (FAC) 30 days after receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first.
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Condition:	The audit report was not finalized until 22 months after year end.
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Effect:	Federal agencies that provide funding and other public associations need current financial information about each unit of local government.
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Cause:	The County's audits have been submitted late over the past several years. The County was unable to provide information necessary to complete the audit timely as a result of staffing issues.
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Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-011.
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Recommendation:	The County should allocate sufficient resources to ensure that all records are reconciled timely to allow time for the audit to be completed timely.
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Views of responsible officials:	The County agrees with this finding. Please refer to the corrective action plan for details.
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CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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)

AL# 93.778

Finding: 2023-013 IV-D Non-Cooperation

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). 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 were 3 errors 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 cases from of a total of 229,178 Medicaid claims 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 North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-012

Cause: Human error in reading the Automated Collection and Tracking System (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 that clearly indicates what actions were performed and the results of those actions.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Views of Responsible officials and corrective action plans: The county agrees with the finding. Please refer to the corrective action plan for details.

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)

AL# 93.778

Finding: 2023-014 Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income 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 2 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 cases from of a total of 229,178 Medicaid claims 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 North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat This is a repeat finding from the immediate previous audit, 2022-013

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.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Views of Responsible officials and corrective action plans: The county agrees with the finding. Please refer to the corrective action plan for details.

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)
AL# 93.778

Finding: 2023-015 Inadequate Request for Information

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. Electronic matches are required at applications and redeterminations.

Condition: There were 11 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 229,178 Medicaid claims 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 North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat This is a repeat finding from the immediate previous audit, 2022-014

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

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. Please refer to the corrective action plan for details.

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)

AL# 93.778

Finding: 2023-016 Inaccurate Resource Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 2 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 229,178 Medicaid claims 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 North Carolina Families Accessing Services through Technology (NC FAST) and a participant could have been approved for benefits for which they were not eligible.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

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. Please refer to the corrective action plan for details.

Section IV. State Award Findings and Questioned Costs

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

SIGNIFICANT DEFICIENCY: Findings 2023-013, 2023-014, 2023-015, 2023-016 also apply to State requirements and State Awards.

N.C. Department of Commerce
Program Name: Building Reuse Program

Finding: 2023-017 Lack of Internal Control Procedures Over State Programs

SIGNIFICANT DEFICIENCY

Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Criteria: In accordance with the Uniform Guidance, the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements that could have direct and material effect on a major state program.

Condition: The County did not receive supporting documents from the property owner to ensure the grant fund was used for allowed activities and costs when the property owner requesting the grant fund, and there were no effective internal control procedures in place to detect or correct this issue.

Effect: The grant fund could be used for unallowed activities and costs.

CASWELL COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section IV. State Award Findings and Questioned Costs (continued)

Cause:	There were no effective internal control procedures in place to detect or correct this issue.
Recommendation:	The County should review the grant agreement and establish proper internal control procedures over compliance to ensure the grant requirements are met.
Views of Responsible officials and corrective action plans:	The county agrees with the finding. Please refer to the corrective action plan for details.

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CASWELL COUNTY

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Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Finding: 2023-001

Reconciliation of Records

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: Because of the lateness of the County's audits, this is repeat finding and there was not an opportunity to correct the deficiencies noted in the FY22 audit for FY23 financial transactions.

In December 2021, the County hired a CPA firm to perform bank reconciliations and assist in preparing the County's financial records for through FY23. In March, 2023 the North Carolina Association of County Commissioners' (NCACC) Strategic Members Services assigned an experience local government finance consultant (Consultant) to support County finance staff in bringing all their audits current. The Consultant is dedicated to Caswell approximately 16 to 24 hours per week and will continue working with the County through completion of the FY25 audit.

The NCACC Consultant is also engaged to train Finance Staff in more efficient and effective processes for performing daily operations that will reduce the likelihood of errors in financial reporting. As Finance staff begin resuming work previously done by the outside accountants, they are identifying improvements to ensure transactions are posted accurately and timely with proper reconciliations performed.

The finance director position became vacant in May 2024, which slowed the progress on the FY23 and FY24 audits. The County has been unsuccessful in hiring a new finance director with the accounting knowledge and experience to establish the appropriate procedures for timely reconciliations. One was hired, but resigned after three days. The County intends to recruit for a new officer upon completion of the FY24 audit.

Proposed Completion Date: The audit for June 30, 2024 scheduled for completion in Summer 2025 should evidence improvement in this area.



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Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings (continued)

Finding: 2023-002 Deficit Fund Balances Not Appropriated in the Next Fiscal Year

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: Family Services: During FY23 and FY24, staff fell behind in requesting reimbursements from various granting agencies. As the reimbursements had not been filed, the County was unable to record anticipated revenue. A concerted effort was made to bring the grant reimbursement requests current in FY24, which should eliminate the deficit upon completion of the audit.

Solid Waste Fund: As noted in the FY22 Corrective Action Plan, solid waste fees have been increased annually through FY25 to stabilize the fund. It was expected that the deficit in the fund would be eliminated by FY23. If not for the depreciation, Solid Waste would have been very close to curing the deficit on a GAAP basis. Upon completion of the FY24 audit, management will evaluate if a transfer from the General Fund is needed to eliminate the any remaining deficit.

Caswell Enterprise Fund: The CoSquare project was completed at the end of FY21 and shown as a closed project. Reconciliation of FY22 records revealed certain architecture and engineering final bills had been charged to a different fund and should have been charged against the project. Funds are available in Revolving Loan Fund to cure the deficit close out the fund.

Proposed Completion Date: Because of the timing of this audit's completion, the necessary transfers to eliminate the deficits can not be accomplished until the records are fully current as of June 30, 2024 audit, and therefore will be completed during FY25 or FY26.



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Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings (continued)

Finding: 2022-003 **Prior Period Adjustment**

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: As the County works to bring their audits current, additional information gathered during the reconciliation process for each fiscal year clarifies prior transactions. The prior period adjustments have been necessary to properly reflect the condition of the records for the current audit presented. While the County cannot be certain that will be no Prior Period Adjustments moving forward, they are unaware of any that will be needed for FY24 at this time.

Proposed Completion Date: Completion of the FY24 by July 2025.

Finding: 2023-004 **Budget Violation**

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: Because of the lateness of the County's audits, this is repeat finding and there was not an opportunity to correct the deficiencies noted in the FY22 audit for FY23 financial transactions. The incompleteness of the accounting records during FY23 prevented the County from taking the necessary steps prior to the end of the fiscal year to amended the budget appropriately.

Significant changes were made to the FY24 and FY25 budgets to address several of the deficient areas. At the end of FY24, a budget amendment was developed to address potential areas of overspending and approved by the Board of Commissioners.

The NCACC consultant continues to work with Finance staff to improve budget monitoring through regular budget versus actual reporting.

Proposed Completion Date: Because of the timing of this audit's completion, the budget findings will likely exist FY24, but will be resolved for the fiscal year ending June 30, 2025 as appropriate procedures will be in place for that budget year.



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**Corrective Action Plan
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings (continued)

Finding: 2023-005

Budget Violation

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: The FY23 budget ordinance included a budget for Fines and Forfeitures and Representative Payee Funds, but did not include a budget for the Municipal Tax Collections. The FY24 and FY25 budget ordinances included a budget for all funds requiring a budget.

The County finance staff did not appropriately budget for capital project funds, but now understands how these funds should be handled in the future.

Proposed Completion Date: June 30, 2025.

Finding: 2023-006

Late Submission of Audit

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: As noted under finding 2023-001, the County has taken measures to move toward timely completion of the annual audit. The finance director vacancy and efforts to correct issues going back multiple years slowed progress on the FY23 and FY24 audits. In FY25 the accuracy of accounting is significantly improved. The County should be current with their audits by July 2025 and is well-positioned to complete the FY25 by the new December 31 deadline.

Proposed Completion Date: FY24 audit completion target of July 2025; FY25 audit completion target of December 31, 2025



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Corrective Action Plan For the Year Ended June 30, 2023

Section II - Financial Statement Findings (continued)

Finding: 2023-007

Retention of Records (Lack of Internal Controls)

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: Because of the lateness of the County's audits, this is repeat finding and there was not an opportunity to correct the deficiencies noted in the FY22 audit for FY23 financial transactions.

The current Finance Team has worked to improve recordkeeping and is fully utilizing the integrated Content Management system within the MUNIS to store supporting documentation as transactions occur and more importantly is requiring appropriate documentation when processing transactions.

Proposed Completion Date: The FY24 should show this finding resolved or significantly improved.

Finding: 2023-008

Lack of Board Approval on Tax Releases and Refunds

Name of contact person: Thomas Bernard, Tax Administrator

Corrective Action: The Board of Commissioners will be made aware of their responsibilities under NCGS 105-381b. The Tax Administrator or Finance Office will create recurring agenda item for the Board's consideration of approval at a regular board meeting.

Proposed Completion Date: July 2025

Finding: 2023-009

Daily Collections Not Deposited Timely

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: The Finance Staff has reiterated the Daily Deposit requirement to county departments, especially those departments identified in the finding. Finance continues to monitor deposits and follows up on any violations.

Proposed Completion Date: On-going



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**Corrective Action Plan
For the Year Ended June 30, 2023**

Section II - Financial Statement Findings (continued)

Finding: 2023-010 Lack of Internal Controls Around Payroll

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: The issue with underwithholding of FICA was corrected in July 2024. An accrual of the amounts under withheld has been established at June 30, 2023 for both the employer and employee portion so that County can submit corrected 941s.

Proposed Completion Date: July 31, 2025

Finding: 2023-011 General Statute Violation - Preaudit

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: The County was made aware of the finding during the audit and corrected the issue prior to completion of the audit. The required pre-audit language is now printed on the face of the check.

Proposed Completion Date: February 2025



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Corrective Action Plan For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs

Finding: 2023-012 Late Submission of Data Collection Form

Name of contact person: Melissa Miller, Interim Finance Officer

Corrective Action: As noted in the response to Findings 2023-001 and 2023-006, County finance staff is diligently working to improve the timeliness of transaction processing and anticipates timely completion of the FY25 audit which will resolve this finding.

Proposed Completion Date: December 2025

Finding: 2023-013 IV-D Non-Cooperation

Name of contact person: Heather Starr Thomas, Medicaid Supervisor

Corrective Action: At the time the determinations under audit were completed this was a requirement. However, under current policy referrals are not being enforced for cooperation with the Child Support Enforcement Agency (IV-D). Please see Administrative Letter 13/23 Due to CCU referrals are not being enforced for cooperation with the Child Support Enforcement Agency (IV-D).

Proposed Completion Date: 5/1/2024 Caseworkers will adhere to Continuous Coverage Unwinding (CCU) Period Policy.



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Corrective Action Plan For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs (continued)

Finding: 2023-014

Inaccurate Information Entry

Name of contact person: Heather Starr Thomas, Medicaid Supervisor

Corrective Action: A refresher training will be held to review errors. Files will be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what files should contain and the importance of complete and accurate record keeping. All files include accurate household members, online verifications, documented sources and verifications 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. An updated template has been put in place for applications and recertification to address household members, tax filing status, electronic checks/verifications and documentation that is needed to accurately approve/deny/continue or terminate benefits. Caseworkers will need to review Determinations to ensure all eligibility is calculated accurately. All active cases regardless of program in NCFAST are to be reviewed to ensure we have the correct information. Weekly Communications and Changes will be reviewed weekly at Unit Meeting to address any changes and NCFAST issues that may require a Help Desk Ticket. We will continue to train on this issue, and it will also be addressed in new worker Trainings. Training in the learning gateway is also available.

Proposed

Completion Date: May 1, 2024



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Corrective Action Plan For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs (continued)

Finding: 2023-015 Inadequate Request for Information

Name of contact person: Heather Starr Thomas, Medicaid Supervisor

Corrective Action: Cases will be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what cases should contain and the importance of complete and accurate record keeping. All cases will include online verifications ran timely, documented resources, income and make certain those amounts agree to information input into NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed by the caseworker and the results of those actions. Information must be updated at every application/recertification and change in circumstance adhering to Medicaid Policy. Templates have been updated to address request for information, income verifications, reasonable compatibility and to include electronic resources are ran with verification of date ran. CW must address all Household income and have clear documentation of request or findings. Training targeted to address error trend of Documentation of Vehicles and Rebuttals. Training targeted to address error trend of evaluation of 1/3 reduction. Information requested from OST to properly enter 1/3 reduction in NCFast obtained. Training targeted for applicable staff to address Transfer of Asset requirements and how to address and clearly document transfers. Help Desk tickets should be submitted timely if information or functionality is not working properly. All avenues available to caseworker must be exhausted before requesting information from client, unless information provided and information obtained is questionable. We will continue to train on this issue, and it will also be addressed in new worker Trainings. Training in the learning gateway is also available.

Proposed

Completion Date: April 11, 2024



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Corrective Action Plan For the Year Ended June 30, 2023

Section III - Federal Award Findings and Question Costs (continued)

Finding: 2023-016

Inaccurate Resource Entry

Name of contact person: Heather Starr Thomas, Medicaid Supervisor

Corrective Action: Cases will be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what cases should contain and the importance of complete and accurate record keeping. All cases will include online verifications ran timely, documented resources, income and make certain those amounts agree to information input into NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed by the caseworker and the results of those actions. Information must be updated at every application/recertification and change in circumstance adhering to Medicaid Policy. Templates have been updated to address request for information, income verifications, reasonable compatibility and to include electronic resources are ran with verification of date ran. Transfer of Asset policy and procedures will be reviewed with applicable caseworkers. TOA evaluation and clear documentation of Transfers and Resolutions must be documented. Help Desk tickets should be submitted timely if information or functionality is not working properly. All avenues available to caseworker must be exhausted before requesting information from client, unless information provided and information obtained is questionable. We will continue to train on this issue, and it will also be addressed in new worker Trainings. Training in the learning gateway is also available.

Proposed

Completion Date: May 1, 2024



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Corrective Action Plan For the Year Ended June 30, 2023

Section IV - State Award Findings and Question Costs

Corrective Action for Findings 2023-012, 2023-013, 2023-014, 2023-015 also apply to the State Award findings.

Finding: 2023-017 Lack of Internal Control Procedures Over State Programs

Name of contact Melissa Miller, Interim Finance Officer
person:

Corrective Action: The County has worked to improve all it's processes around grants monitoring, including having proper documentation for eligible expenses. Training will be provided to departments entering into grants to ensure compliance with all grant requirements.

Proposed May 2025 and on-going.
Completion Date:

CASWELL COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Finding: 2022-001
Status: Repeated as finding 2023-001

Finding: 2022-002
Status: Repeated as finding 2023-002

Finding: 2022-003
Status: Repeated as finding 2023-003

Finding: 2022-004
Status: Repeated as finding 2023-004

Finding: 2022-005
Status: Repeated as finding 2023-005

Finding: 2022-006
Status: Repeated as finding 2023-006

Finding: 2022-007
Status: Repeated as finding 2023-007

Finding: 2022-008
Status: Repeated as finding 2023-008

Finding: 2022-009
Status: Repeated as finding 2023-009

Finding: 2022-010
Status: Repeated as finding 2023-010

Finding: 2022-011
Status: Repeat as finding 2023-012

Finding: 2022-012
Status: Repeat as finding 2023-013

Finding: 2022-013
Status: Repeat as finding 2023-014

Finding: 2022-014
Status: Repeat as finding 2023-015

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Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through N.C. Dept. of Health and Human Services: Division of Social Services: Administration: SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Asst. Prg.	10.561		\$ 147,738	\$ -	\$ -
FNS ARPA	10.561		48,833	-	-
Total of SNAP Cluster			196,571	-	-
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		120,994	-	-
Total U.S. Dept. of Agriculture			317,565	-	-
<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		1,034,535	-	-
Section 8 Housing Voucher Program - CARES	14.871		447	-	-
Total U.S. Dept. of Housing & Urban Development			1,034,982	-	-
<u>U.S. Department of Transportation</u>					
Passed through the N.C. Department of Transportation					
Nonurbanized Area Formula Program - Capital	20.509	DOT-14 36233.19.20.3	49,116	6,139	-
Nonurbanized Area Formula Program - Capital	20.509	DOT-14 36233.19.21.1	74,597	4,662	-
Nonurbanized Area Formula Program - Capital	20.509	50371.11.1.2	177,756	-	-
Total Nonurbanized Area Formula Program			301,469	10,801	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT-14 51001.57.9.3	1,997	250	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	DOT-14 51001.57.10.3	16,000	2,000	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities			17,997	2,250	-
Total U. S. Department of Transportation			319,466	13,051	-
<u>U.S. Department of Treasury</u>					
Direct Awards					
Coronavirus State and Local Fiscal Recovery Funds	21.027		2,787,480	-	-
Total U.S. Department of Treasury			2,787,480	-	-
<u>Institute of Museum & Library Services</u>					
Passed through Department of Natural and Cultural Resources					
State Library of North Carolina					
LSTA Grants	45.310		24,787	-	-
Total of Institute of Museum & Library Services			24,787	-	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients
<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		18,166	1,069	-
Grants for Supportive Services and Senior Centers					
ARPA - Special Programs for the Aging Title IIIB	93.044		23,330	4,117	-
Grants for Supportive Services and Senior Centers					
Total Special Programs for the Aging Title IIIB			41,496	5,186	-
Special Programs for the Aging Title IIIC	93.045		155,568	8,143	-
Nutrition Services					
ARPA - Special Programs for the Aging Title IIIC	93.045		50,222	8,863	-
Nutrition Services					
Total Special Programs for the Aging Title IIIC			205,790	17,006	-
Nutrition Services Incentive Program	93.053		25,820	-	-
Total Aging Cluster			273,106	22,192	-
Passed-through the N.C. Dept. of Health and Human Services					
Temporary Assistance Needy Family Cluster					
Division of Social Services:					
TANF - Work First	93.558		325,504	-	-
Division of Public Health					
TANF - Work First	93.558		3,035	-	-
Total TANF Cluster			328,539	-	-
Foster Care and Adoption Cluster:					
Foster Care - Title IV-E	93.658		110,025	14,118	-
Adoption Assistance	93.659		7,174	-	-
Foster Care	N/A		344	-	-
Total Foster Care and Adoption Cluster			117,543	14,118	-
Child Support Enforcement	93.563		353,946	-	-
Low-Income Home Energy Assistance:					
Administration	93.568		20,775	-	-
Energy Assistance	93.568		67,587	-	-
Crisis Intervention Program	93.568		51,708	-	-
LIEAP ARPA ADM	93.568		78	-	-
LIHWAP ADM	93.568		192	-	-
LIHWAP ARP	93.568		1,429	-	-
LIHWAP ARP ADM	93.568		356	-	-
LIHWAP CAA	93.568		1,956	-	-
Total Low-Income Energy Assistance			144,081	-	-
Permanency Planning - Families for Kids	93.645		1,671	-	-
Family Preservation	93.556		1,500	-	-
Chafee Foster Care Independence Program	93.674		1,844	137	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services					
SSBG - Other Service and Training	93.667		145,862	-	-
SSBG-Adult Protective Service	93.667		19,397	-	-
SSBG-APS ESSENT SVC/APS ARPA S	93.667		550	-	-
CPS TANF TO SSBG	93.667		48,703	-	-
SSBG - State In Home Service Fund	93.667		21,601	-	-
Passed-through Piedmont Triad Regional Council of Governments:					
Division of Aging and Adult Services					
Social Service Block Grant	93.667		6,550	187	-
Total Social Service Block Grant			236,113	-	-
Division of Social Services:					
Subsidized Child Care Cluster					
Child Care Development Fund - Administration	93.596		75,616	-	-
Total Subsidized Child Care Cluster			75,616	-	-
Medical Assistance Program	93.778		659,101	67,977	-
State Children's Insurance Program NC Health Choice	93.767		13,111	1,230	-
Passed-through the N.C. Department of Health and Human Services					
Division of Public Health					
Public Health Emergency Preparedness	93.069		10,974	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		2,638	-	-
Family Planning Services	93.217		32,941	-	-
Immunization Grants	93.268		8,598	-	-
COVID-19 Immunization Grants	93.268		54,148	-	-
Total Immunization Grants			62,746	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		93,374	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		70,021	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		67,980	-	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		22,574	-	-
Maternal and Child Health Services Block Grant	93.994		22,637	6,106	-
Total U. S. Department of Health and Human Services			2,598,706	111,947	-
U.S. Dept. of Homeland Security					
Passed through the NC Dept. of Public Safety					
Emergency Management Performance Grant	97.042		39,032	-	-
Total U.S. Dept. of Homeland Security			39,032	-	-
Total Federal Awards			\$ 7,122,018	\$ 124,998	\$ -

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Public Health:					
Food and Lodging Fees			\$ -	\$ 3,834	\$ -
Aid to Counties			-	80,107	-
General Communicable Disease Control			-	10,911	-
Healthy Community Activities			-	3,747	-
Child Health			-	9,480	-
HIV/STD State			-	1,574	-
School Nurse Funding Initiative			-	200,000	-
Family Planning - State			-	10,923	-
Maternal Health			-	14,995	-
Women's Health Service Fund			-	5,887	-
TB Control			-	2,199	-
Total for Division of Public Health			-	343,657	-
Division of Social Services:					
State Child Welfare/CPS/CS LD			-	16,695	-
SFHF Maximization			-	11,625	-
F/C AT RISK MAXIMIZATION			-	6,495	-
State Foster Home			-	22,784	-
COVID-19 - FC Stipend			-	-	-
Total for Division of Social Services			-	57,599	-
Passed-through Piedmont Triad Regional Council of Governments:					
Division of Aging and Adult Services:					
State Appropriation-CONGREGATE MEALS			-	5,524	-
State Appropriation-HOME DELIVERED MEALS			-	39,434	-
State Appropriation-INHOME/SUPP SVC			-	55,822	-
Total for Division of Aging and Adult Services			-	100,780	-
Total N.C. Dept. Health and Human Services			-	502,036	-
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP)					
- ROAP Elderly and Disabled Transportation Assistance Program	36220.10.11.1		-	70,144	-
- ROAP Rural General Public Program	36228.22.11.1		-	65,624	-
- ROAP Work First Transitional - Employment	36236.11.10.1		-	9,090	-
Total N.C. Dept. of Transportation			-	144,858	-
<u>N.C. Dept of Commerce</u>					
Building Reuse		2021-030-3201-2587	-	250,000	-
One NC Grant			-	37,500	-
Total of N.C. Dept of Commerce			-	287,500	-
<u>N.C. Dept. of Public Safety</u>					
JCPC Programs		N/A	-	116,058	-
Emergency Management Capacity Building Competitive Grant			-	204,273	-
Total N.C Dept. of Public Safety			-	320,331	-
<u>N.C. Department of Administrator</u>					
Divorce Filing Fee Grant			-	28,389	-
Marriage License			-	19,174	-
Family Violence			-	98,911	-
Total N.C. Department of Administrator			-	146,474	-
<u>N. C. Department of Cultural and Natural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	88,445	-
Library State Non-Recurring Grant			-	11,399	-

Caswell County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients
Total N.C. Department of Cultural and Natural Resources			-	99,844	-
<u>N.C. Department of Insurance</u>					
SHIIP Grant			-	29,544	-
Total N.C Department of Insurance			-	29,544	-
<u>N.C. Administrative Office of the Courts</u>					
Facilities Improvement Grant			-	90,736	-
Total N.C. Administrative Office of the Courts			-	90,736	-
Total State Awards			\$ -	\$ 1,621,323	\$ -
Total Federal and State Awards			\$ 7,122,018	\$ 1,746,321	\$ -

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, 2023. 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	AL No.	Federal	State
Special Supplemental Nutrition Program for Women			
Infant and Children	10.557	\$ 229,902	\$ -
Food and Nutrition Services	10.551	12,435,810	-
Medical Assistance Program	93.778	36,628,719	14,567,590
Children's Health Insurance Program	93.767	108,525	24,283
IV-E Adopt & Vendor	93.659	89,690	16,677
TANF Payments & Penalties	93.558	86,126	-
CWS Adopt, Vendor, Guard	N/A	-	30,258
SC/SA Domiciliary Care	N/A	-	147,462



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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

April 28, 2025

To the Board of Commissioners
Caswell County
Yanceyville, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Caswell County for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 19, 2024. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Caswell County are described in Note I to the financial statements. The County changed accounting policies related to Leases by adopting GASB Statement No.96, "Subscription Based Information Technology Arrangements," effective for fiscal year ending June 30, 2023. We noted no transactions entered into by Caswell County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representation

We have requested certain representations from management that are included in the management representation letter dated April 28, 2025.

Management Consultations with Other Independent Accountants

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

Other Auditing Findings or Issues

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

The audit report was not issued until 18 months until after the October 31, 2023 due date. The reasons for the delay are summarized in the findings issued in the report.

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

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

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

Efforts should be made to ensure that all negative fund balances are cleared up, and that all projects that have been completed are closed on the general ledger.

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

If transfers between funds are recorded, there should be available budget to reflect those transfers. Additionally, budget amendments should be recorded prior to expended funds (see Finding 2023-004).

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

Prior period adjustments were recorded to correct mis-postings from prior years. Details are provided in the notes as Finding 2023-003.

The County did not adopt a budget for several new funds and did not make budget amendments as needed throughout the year to cover expenses (see Finding 2023-004 and 2023-005). Additionally, our testing noted instances where the pre-audit procedures were not properly followed.

Adequate documentation was not obtained throughout the year to substantiate all transactions recorded for the year (see Finding 2023-006). Additionally, there were daily revenue collections that could not be traced to the general ledger or bank statement.

Two departments (Register of Deed and Inspections/Planning) were noted for not complying with the daily deposit general statutes. Collections in excess of \$500 shall be deposited daily (see Finding 2023-009)

Board approval was not obtained for tax releases and refunds (see Finding 2023-008), there was also one budget amendment in our sample of five that was missing board approval. Additionally, it was noted that the County has no formal policy for the journal entry review and approval process.

The County did not withhold FICA on retirement contributions (see Finding 2023-010).

The County's checks did not have the required pre-audit verbiage on the face of the check (see Finding 2023-011).

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

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

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

Meeting Date: May 5, 2025



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Presentation on Construction of Training Facility and Firing Range

BACKGROUND INFORMATION:

Sheriff Tony Durden will present information on the requested facility. Background information is attached.

RECOMMENDED ACTION/MOTION:

FISCAL IMPACT:

ATTACHMENTS:

Background information on training facility

Caswell County Sheriff's Office

Firing Range/Training facility Plan

The purpose of this document is to outline the vision and reason for a Firing Range/Training Facility in Caswell County. This facility will be used by the Caswell County Sheriff's Office for the purpose of completing the required yearly firearms qualification as well as other training to better our services to the citizens of Caswell County.

This idea arose due to a conflict with our yearly firearms training in 2024. Under normal circumstances our office would use the firing range at Dan River Work Farm for our yearly qualifications. In 2024 that was not possible due to the range being closed for repairs, this caused us to have to reach out to surrounding agencies to see if there was a range that we could use. Person County Sheriff's Office agreed to allow us to use their range, and we were able to agree on a date, we still had to share it with another agency on the agreed date. Using this range caused some officers to have to drive over an hour to get to the range as it is on the Granville County side of Person County. Also, we received new information from Dan River Work Farm on new regulations of their range, which included that no round larger than a .357 caliber handgun and a .556 rifle round could be shot without special permission.

With the growing population in the county and the climate of law enforcement across the country changing, we believe that training is paramount in providing the best law enforcement actions possible for Caswell County residents. This facility will not only be used as a firing range but as a facility for other types of training that do not involve firearms, also it can be used as a staging area when we have large operations that bring multiple agencies to the county that need to remain covert. Future plans, as we are able, are to open this up to become a Public Safety training facility that would benefit Fire Departments as well as EMS.

This plan will come at very minimal if any cost to tax payers. Dirt for construction is coming from a bridge project that DOT is completing in the county. All work for construction of the berm will be completed by Forestry/Solid Waste Department with equipment onsite. If there are any costs it would be for gravel or millings for a parking area and for signs /gates protecting people from coming to the facility when in use. All manual labor needed as far as installing cables and gates will be completed by county employees.

Attached is a detailed plan for different aspects of the facility and its effects on soil cap, Ground Water Wells, and Gas vents. Also maps for location reference and a Decibel test completed by the County Planner.

Caswell County Sheriff's Office
Firing Range/Training facility Plan

Location: This range is proposed to be constructed in the middle of a 166-acre property owned by the County of Caswell and will run parallel to Hwy 86 N. (Map attached)

Proposed Dimensions: 120 ft wide and 300 ft long

Times of use: This area will be used for multiple types of training to include live fire qualification in compliance with state law regarding the use and carry of law enforcement weapons. It will not be used every day or every month, but we are required to qualify with firearms at least once a year. Other training uses will not include live fire and will also consist of "silent" type training events such as traffic stops, vehicle searches, and also for staging for large law enforcement operations.

Calibers of firearms used: .308, .380, 9mm, .40, .45, .223, 5.56, 12GA

Noise Levels: Decibel readings were compiled by the County Planner on 11/13/2024 at approximately 2:00 pm. During this testing the County Planner took decibel readings from three different locations around the proposed site. These readings were taken with 12 officers firing at once using department issued 9mm pistols, 12 GA shot guns, and 5.56 rifles. The results of this test are attached.

Construction: The proposed range will consist of a berm which will have a main berm and side berms. The main berm will be at least 18 ft high and side berms will be a minimum of 8ft high. The side berm will be 947 ft from the closest property line, the front main berm is 1743 ft from any property line to the north and the proposed rear of the range will be 1225 ft from any property line to the south. Trees and low-level erosion control vegetation, grass and erosion control fabric will be put in place to help with soil erosion. There will also be gravel or millings placed down for a parking area.

Soil Cap/Ground Water Wells: There will be no penetration of the current soil cap. The proposed location will not be on the regulated landfill cap. The closest cap edge will be over an estimated 150 yards from the range. Fill dirt will be provided and brought from DOT projects in the county for any leveling and berm construction as needed. There is already an existing driveway in place that is used by landfill employees to gain access to the location. Driveways into the Ground Water Wells and regulated landfill cap will be blocked off by the use of a gate or posts and cables with a do not enter sign so that vehicles cannot access those areas. Vehicle access areas will be provided for testing and maintenance.

Gas vents: The County Solid Waste Director currently monitors gases and completes an LFG gas report every quarter. These reports are kept and are audited every few years by the State. These reports are sent to an environmentalist with SM&E Engineering to review and if there are any concerns they report to Solid Waste Director and they come up with plan to correct.

Firing Range PROPOSAL

Sound Meter Decibal Readings

7567 HWY 86N

Attempt 1

Date: 11/13/24

Time:

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 53.9

Notes:

12 - 9mm handguns

124 gr Duty Ammunition

135 Pine Ridge Rd

Attempt 4

Date: 11/13/24

Time:

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 57.2

Notes:

12 - 9mm handguns

124 gr Duty Ammunition

7567 HWY 86N

Attempt 2

Date: 11/13/24

Time:

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 48.1

Notes:

12 - 12ga shotguns firing 00Buck

Duty ammunition

135 Pine Ridge Rd

Attempt 5

Date: 11/13/24

Time: 14:30

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 52.8

Notes:

12 - 12ga shotguns firing 00Buck

Duty ammunition

7567 HWY 86N

Attempt 3

Date: 11/13/24

Time:

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 50.6

Notes:

12 - 5.56 Patrol Rifles firing 55 gr.

Duty ammunition

135 Pine Ridge Rd

Attempt 6

Date: 11/13/24

Time:

Weather: Clear, SUN, WINDS 6-7 MPH ENE

READING: 46.5

Notes:

12 - 5.56 Patrol Rifles firing 55 gr.

Duty ammunition

7567 HWY 86

2182 ft from
7567 HWY 86



1700 PINEBARK RD

0200

0200

Click to start
drawing

1700 ft from
1700 PINEBARK RD

1700 PINEBARK RD
1700 PINEBARK RD
1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

1700 PINEBARK RD

North Hills Rd

Attempt 7

Date: 11/10/24

Time:

Weather: Clear, Sun, Winds 6-7 mph ENE

READING: 45.4

Notes:

12 - 9mm handguns
124 gr Duty Ammunition

Attempt 10

Date:

Time:

Weather:

READING:

Notes:

North Hills Rd

Attempt 8

Date: 11/10/24

Time:

Weather: Clear, Sun, Winds 6-7 mph ENE

READING:

Notes: Traffic Noise was as high or higher.

12 - 12ga shotguns firing 00Buck
Duty ammunition

Attempt 11

Date:

Time:

Weather:

READING:

Notes:

North Hills Rd

pg 2

Attempt 9

Date: 11/10/24

Time:

Weather: Clear, Sun, Winds 6-7 mph ENE

READING: 52.4

Notes:

12 - 5.56 Patrol Rifles firing 55 gr.
Duty ammunition

Attempt 12

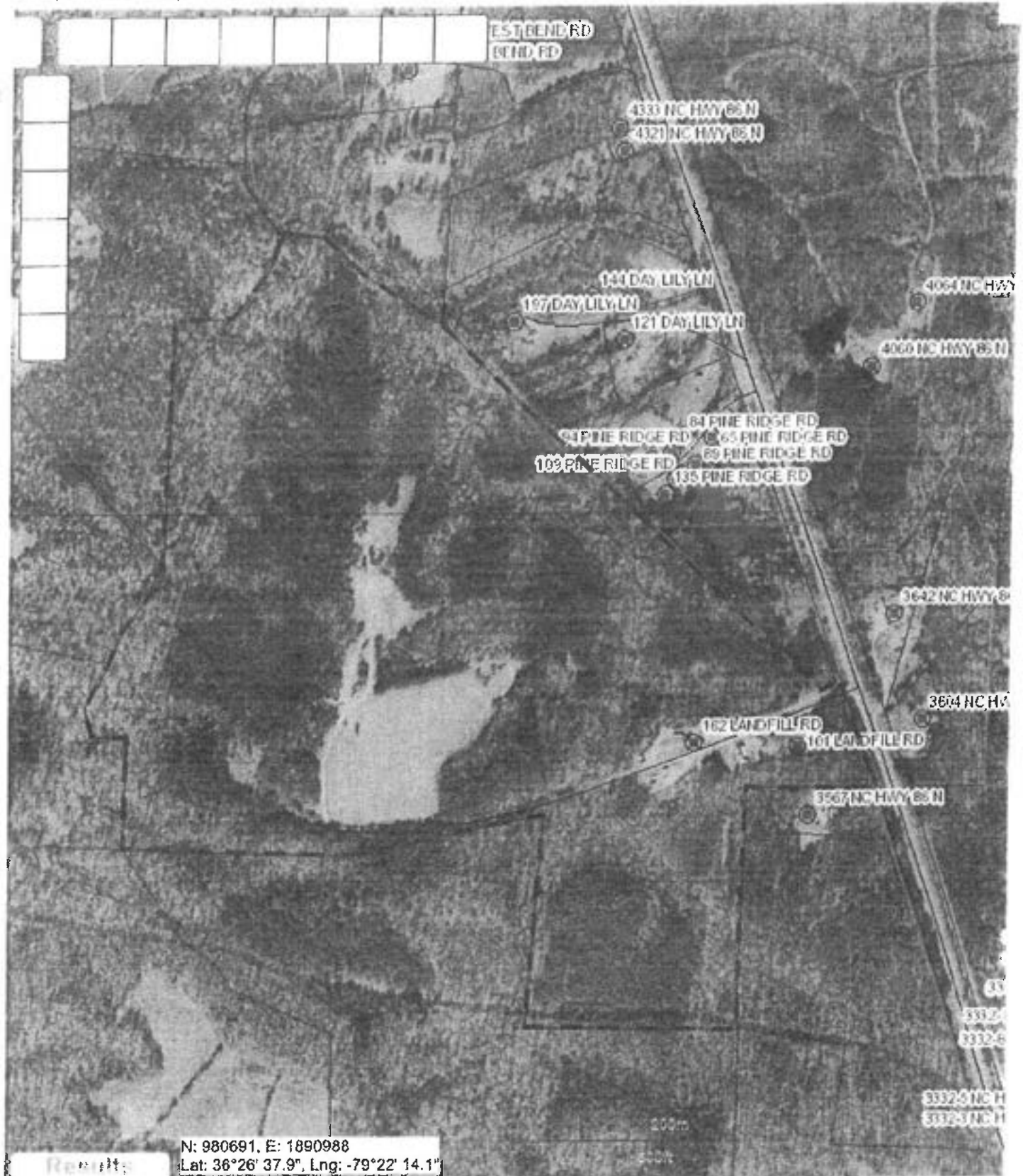
Date:

Time:

Weather:

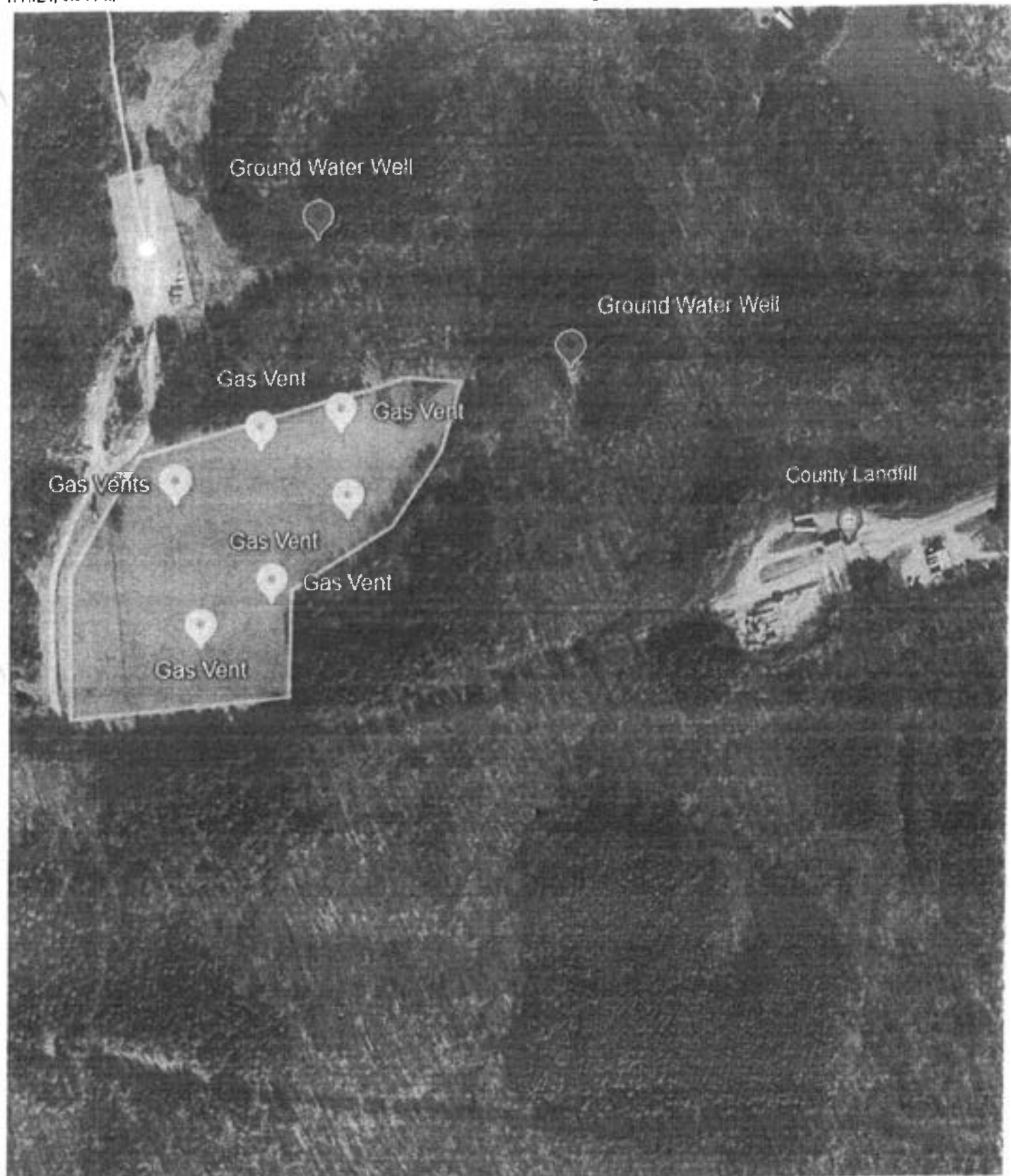
READING:

Notes:

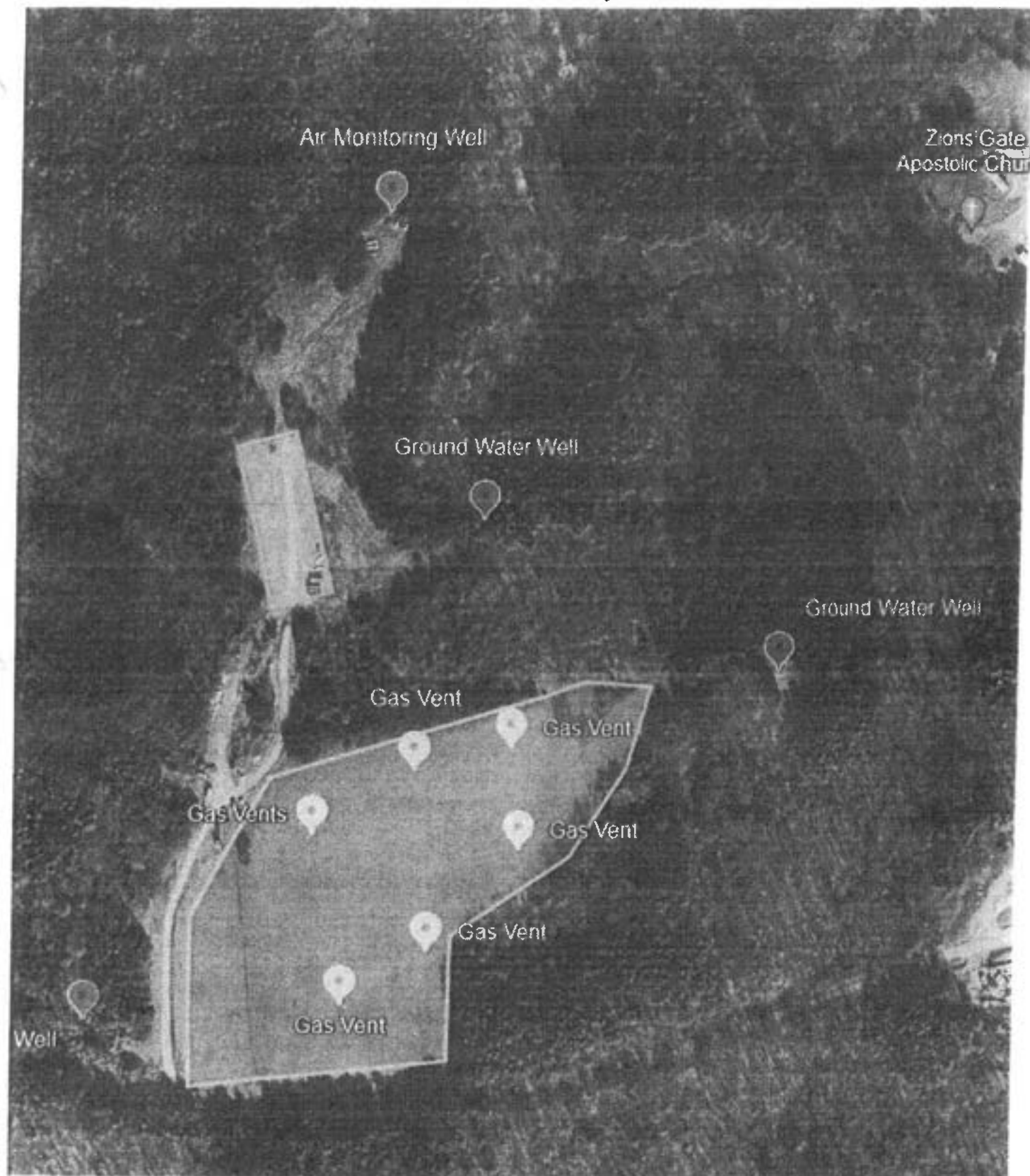


161.98 AC

1

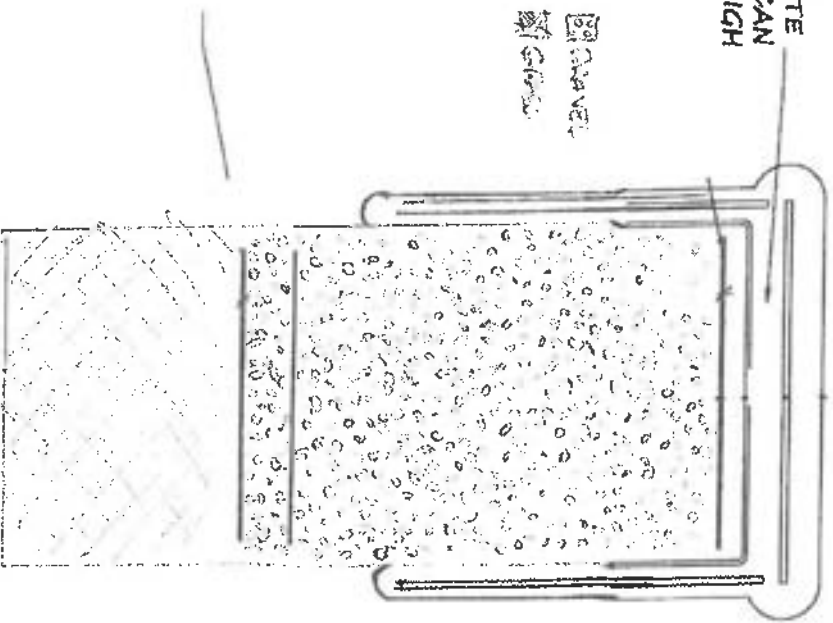


2



3

HEIGHT OF THE
BACKSTOP IS SITE
SPECIFIC AND CAN
BE UP TO 20' HIGH



FOR CROSS-SECTIONAL PROFILE AND MORE
INFORMATION ON BACKSTOPS AND SIDE BERMS,
SEE DRAWINGS 1/A4 AND 2/A4 IN DRAWING A4

TYPICAL RIFLE & PISTOL RANGE

NOT TO SCALE

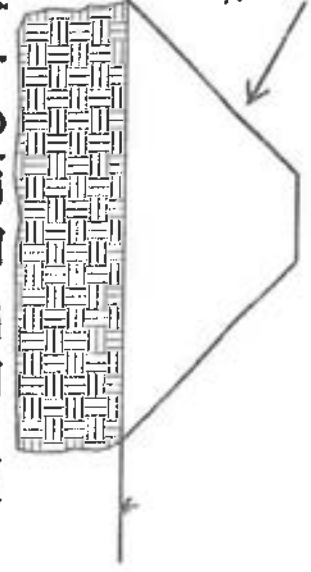
IF TARGETS ARE NOT PLACED NEAR THE
BACKSTOP, ASSURE THAT THE TARGET HEIGHT
IS SUCH THAT BULLETS PASSING THROUGH THE
TARGET WILL STRIKE THE BACKSTOP.

IT IS CONVENIENT TO PROVIDE PARKING
DIRECTLY BEHIND THE FIRING LINES.

FOR SHOOTER COMFORT, FIRING LINES MAY BE
FITTED WITH SHADE STRUCTURES, AS SHOWN
IN DRAWING A3.

SIDE BERMS ARE PARALLEL TO THE LINE OF FIRE
BACKSTOPS ARE DIRECTLY IN THE LINE OF FIRE
ALL SHOOTING IS DIRECTED TOWARD THE BACKSTOP
BACKSTOPS COLLECT AND HOLD THE BULLETS FOR RECLAMATION

SURFACE IS MAINTAINED FREE OF LARGE ROCKS
CORE MATERIAL MAY BE BROKEN CONC. OR ROCK
SIDE BERMS MAY BE CUT INTO A NATURAL HILL



1/A4 SIDE BERM

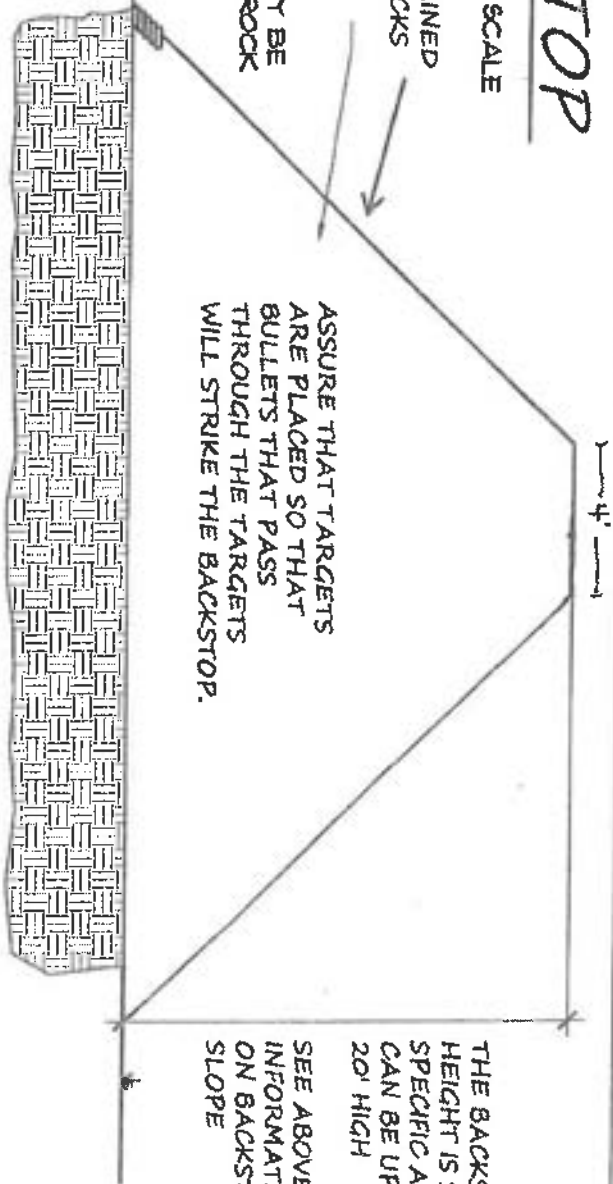
NOT TO SCALE

THE PURPOSE OF A SIDE BERM IS TO PROTECT ADJACENT AREAS OF THE RANGE, IF NEEDED. THE HEIGHT OF A SIDE BERM IS MAINTAINED AT 8".
SLOPES FOR BACKSTOPS AND SIDEBERMS TEND TO STABILIZE AT AN ANGLE OF ABOUT 30 TO 35 DEGREES, WHICH IS THE NATURAL ANGLE OF REPOSE OF MOST SOILS. THIS CORRESPONDS TO A SLOPE OF 1 TO 1.5 RISE OVER RUN.

2/A4 BACKSTOP

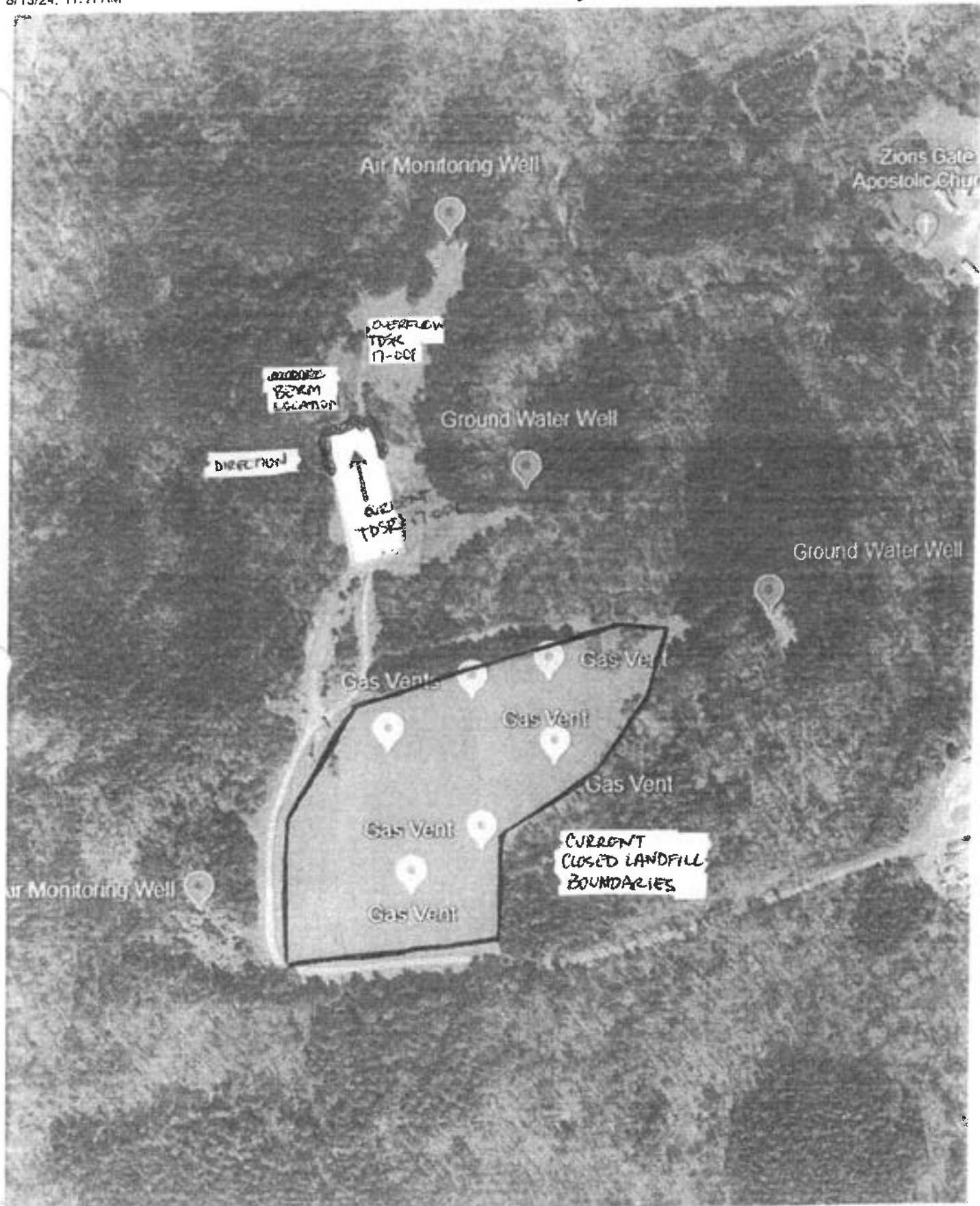
NOT TO SCALE

SURFACE IS MAINTAINED FREE OF LARGE ROCKS
MAIN IMPACT AREA
CORE MATERIAL MAY BE BROKEN CONC. OR ROCK
ASSURE THAT TARGETS ARE PLACED SO THAT BULLETS THAT PASS THROUGH THE TARGETS WILL STRIKE THE BACKSTOP.



THE BACKSTOP HEIGHT IS SITE SPECIFIC AND CAN BE UP TO 20' HIGH
SEE ABOVE FOR INFORMATION ON BACKSTOP SLOPE

BACKSTOPS MAY BE CUT INTO A NATURAL HILL



Potential Range Cost

	Item	Amount	Vendor	Cost Per	Total	Comments
1	14' Gate	1	Tractor Supply	\$179.00	\$179.00	
2	6x6x8 Posts	2	Lowes	\$29.28 each	\$58.56	For mounting the gate
3	Steve Harris - Foreman			\$40.00/hr		
4	Erosion Fencing	400'/4	Lowes	\$47.98 each	\$191.92	
5	Grass Seed	80#/2	Lowes	\$72.48 each	\$144.96	Contractor Blend 40# bags
6	Galvanized pipe straps	60	Lowes	\$1.12 each	\$67.20	For target bracket pipe
7	PVC Pipe Schedule 40	10'/3	Lowes	\$17.74 each	\$53.22	For target holders
8	Railroad ties	60	Lowes	\$25.00 each	\$1,500.00	For target base and retention
9	Plastic 55 gal drums	20				Barriers/simulated cover
10	Target Sticks	200	Lowes	\$1.58 each	\$316.00	1"x2" Furring strip 8' long
11	Screws	2	Lowes	\$9.98 each	\$19.96	#8 x 2" Wood screws 129ct
12	Rebar	24	Lowes	\$4.98 each	\$119.52	For securing Ties to the ground
13	Dirt	A LOT	State	Free	Free	For the the berms
14	Labor		State/County	Free	Free	Sweat Equity
15	Light Poles		Duke Power			
16	Power		Duke Power			
17	Fuel for equipment					
18	Unforeseen Expenses				\$1,000.00	

We can also source a lot of this through Ace Hardware to keep it local if need be, just the cost will be slightly higher.

Gravel Estimated 30 truck loads for the range

Additional 20 truck loads for a parking area

Millings are \$250 a load, if the supplier loads and delivers 30 loads it's \$10,500-\$11,500

Gravel is A LOT higher. Normal truck load is 18-22 Tons

Millings are \$14 a ton plus delivery

Gravel is \$26 a ton delivered if the project is started before 12/31. If we wait until after 12/31 we have to requote the gravel

Can you provide answers to the following?

- The location of the range at the landfill – The location of the range is on the back side of the property, in the middle of the 166 acre property, situated to run parallel with NC HWY 86N
- Sketches, drawings, concept of the shooting range facility showing the range, buildings, berm(s). – Drawings were provided to the county commissioners detailing the exact location and the proposed dimensions. The county firing range ordinance details minimum requirements and we plan to exceed all of their requirements. Example, cannot be within 400' of an occupied dwelling, 100' from all property lines, berms must be at least 10' and side berms must be at least 8', etc. There are no plans for building or purchasing a structure at this time. Dimensions proposed are 120' wide by 150' long
- Daily schedule – what times will it be available for use and when will it be prohibited from use? – There is no proposed daily schedule since the area will not be used for shooting every day. The proposed area is desired to be used as a training area for everything to include live fire shooting.
- How many days is it anticipated the range will be used in an average week? Month? 1-2 days per month Year? 12-24 days per year
- What types/calibers of firearms and explosives/ammunition will be used? – typical law enforcement weapons. Largest caliber is .308. We have 1 .308 weapon and 2 officers authorized for its use so very minimal .308 rounds. The primary calibers will be common handgun rounds, .380, 9mm, .40, .45. It also needs to be noted that this proposed location is a designated explosive detonation location for the state. There have been 3 instances where explosive devices have been detonated by the State Bureau of Investigation Bomb Squad and no complaints or concerns have been reported.
- What are the expected peak noise duration and levels? – We conduct both day and night fire for qualification once per year which is required by the state. We shoot half of the department one day and the other half on another day, depending on the individual's success, some officers qualify in 80 rounds (40 day, 40 night) some need additional attempts. Night fire is conducted in the winter when its dark at 5pm and shooting is typically completed prior to 2100hrs.
- Will noise levels be monitored and recorded? – Decibel metering has already taken place in the proposed location and while shooting the .308, the decibel reading from the shooters position was 115dB. The sound was not recordable as close as the main gate. The sound from the traffic on 86 was louder. The county ordinance only requires the sound to be below 90dB. Daily operations at the convenience sight from machinery and collection boxes being banged around, loaded and unloaded is louder. Yes, you are going to hear the shooting, I am not trying to hide that fact, but there are other louder noises that you have come to understand and accept and don't pay attention to. We have conducted test fires with the .308 and 5.56 and the residents we had outside of their residence could hear it but could not hear from inside of their residence. This was done even without the high berms and sound was limited. Once the berms are constructed this sound will be reduced even more.
- Is vegetation, landscaping, or structures planned to reduce noise? – Vegetation is planned. The berms only required to be 10' our plan is for them to be almost twice the required height at 18'. Structures will cost money and we are trying to keep the financial impact to the Sheriff's Office low. The minimum will be trees and low-level erosion control vegetation to also absorb sound. Once construction is completed, we have discussed planting trees at the rear to also create a natural buffer behind the shooters to lower noise as well.
- Will operations be suspended if atmospheric conditions attenuate noise levels (e.g., low cloud cover)? – There are no plans to suspend operations since law enforcement

personnel work in all conditions and therefore training is training. We will make the determination if the weather conditions are obviously safe for training or not and will adjust accordingly

- What specific training/practice can be accomplished at nearby shooting ranges that would reduce use of the proposed range? – None of our current required training can be conducted on other in county ranges without special accommodations and considerations. Due to the fact we are required to conduct what's called a combat course where we need to drive patrol vehicles onto the range and also, we are required to complete our night fire evolution using blue lights and strobe lights and we use vehicle to accomplish it. The Wildlife range requires all firearms to be cased or tabled, no law enforcement courses of fire are completed from a case or table. This range also requires the shooter stand in a stationary position and the targets be moved to change distances, this is unfeasible for law enforcement qualification. Only 5 shooters are allowed to shoot at a time. This proposed range is going to be used for qualification and training. Law enforcement firearms is a highly controversial part of the job, proper sustainment training needs to be conducted periodically to maintain an officer's proficiency and confidence in his/her weapon. Ranges at Virginia International Raceway are only available when the government isn't on them, there is a cost associated with their use, and we cannot shoot past 7:00PM unless our weapons are suppressed. Ranges capable of our requirements are outside of the county which requires additional cost for salaries, drive time, wear and tear on vehicles, half of the available personnel out of the county or even out of the state.
- What specific training/practice cannot be accomplished at nearby shooting ranges that would require building the proposed range? – See above
- What ammo and weapons cannot be used at nearby shooting ranges that would be required at the proposed range? – According to the DAC-SOEH-200-02 document from the North Carolina Department of Adult Correction states, no handgun caliber to exceed .357 magnum firepower shall be permitted. No rifle to exceed .223 shall be fired without special permission, shotgun ammunition up to 1oz. Slug. Wildlife range does not authorize full auto operations either. We currently have full auto weapons and certain officers are trained and authorized for their use and they need to train on them.
- What alternatives have been considered (expanding/modifying or co-locating at nearby ranges, virtual training, training aids, laser training systems, etc)? – The perception of this proposed project needs to change. Everyone hears "FIRING RANGE" and everyone automatically thinks or perceives a group of people standing out there everyday shooting thousands of rounds of ammunition from sun up to sun down. This area will be used as a training area where we can conduct other training efforts other than live fire. Scenario based training, K9 training, Simmuntions or Force on Force, and drone training just to name a few. All of these other as you put it "virtual and laser training systems" also cost additional monies that are not provided. We are very limited on the amount of money we have for training ammunition so we cannot afford to shoot every week or even every month. I get very creative with training methodologies that do not require live ammunition but there is no substitution for actual live fire training.
- As an experienced training coordinator and both a State and Federal certified weapons and tactics instructor of close to 20 years, my best guess would be at a maximum 1-2 days of live fire per month but the area would be used for things other than live fire 6-8 days per month. Out of a 12 month or 365-day calendar period we anticipate 12-24 days of live fire per year for the department.
- What is the cost estimate for the range (construction, utilities, maintenance, staffing [RSO?], administration, lead reclamation)? – On the high side the most minimal cost would be less than \$3000 to get the range or the area useable. Working for the county

we are forced to do more with less and I am doing everything I can to minimize the cost. Minimal requirements would include, erosion control fabric, grass seed, target structures, etc.

- We would also install additional signage, visible warning lights, flags and gates to prevent someone inadvertently driving through the open convenience site and to the range area.
- The dirt is being given free of charge from construction projects here in the county. If we decide to put down gravel or millings, the cost will be higher providing that I cannot get the millings from road projects donated or purchased at a reduced rate. State agencies (Forestry and DOT) are providing their equipment and operators to complete the machinery work.
- We would use porta-jons for immediate bathrooms or if needed we are pretty close to town, officers could return to the office. The DOC range did not have bathroom facilities on site either. We will work with the Solid Waste Director for the use of the state surplus generators that are on site if and when we need power. All of our classroom instruction is conducted at the college or the 911 Training Room and there is not a need for a structure at this time.
- Maintenance is already being done on this location by the Solid Waste Department this proposed area would not cause any additional work or duties on their staff.
- We have state certified Firearms Instructors and one Federally Certified Range Master on staff that will serve as RSO's. There will be one designated FI that will be on Range Duty or available as a point of contact for ANY training being conducted whether live fire or not.
- Lead reclamation is not of an immediate concern. As I explained to the commissioners I worked for VIR and the training facility there and the ranges are in a flood plain and we have had the berms tested and have been told that we do not have a remediation need. In close to 10 years an estimated 9 MILLION rounds have been fired and they have not met the levels for remediation. With only having +/- 50 officers, I don't think any of us will be around here when the lead needs to be reclaimed or remediated. Now that does not mean that we are not concerned or willing to remediate, it just means we have considered it and will remediate as needed.
- A safety consideration that has been discussed is the purchase and installation of a new electronic gate at the entrance on Hwy 86 that would allow access by code and to record who enters and when. The gate will close after entry to prevent the public from coming through an open gate when the site is closed.
- I have purchased and reviewed the 412-page NRA Range Source Book to use as a guide as we have put this proposal together. It covers everything from construction to utilization. This proposal is not just a "Good Idea Fairy" idea. A lot of thought has gone into this. I have also asked a retired state employee from Forestry who is experienced in this type of construction to be involved to make sure water run offs are correct, slopes are maintained, dirt is dumped and compacted to prevent erosion, to be onsite to ensure minimum heights and scope of the project minimums are met or exceeded.
- The training area/range would not prevent the county or landfill from using it as a temporary debris field as it is currently designated. With the exception of the actual berm footprint.
- What will be done to prevent lead contamination in the soil/ground water? -- Since this area is already deemed a capped and contaminated landfill, it is monitored and tested by the Solid Waste department and the state to maintain acceptable levels. Considerations have been made to control storm water runoff, catch basins and diversion methods to channel water away from the open wells and creeks. We are required by the range ordinance to not be within 100' of any perennial stream or pond which far exceed.

- 75% of law enforcement ranges are built on landfill properties because the county/city already owns the land, landfill contaminants have already prevented the land from being used for future growth and most landfills are not co located in residential areas. For example, Person Co Firing Range and the City of Danville firing ranges are at their old landfill. Rockingham/Reidsville range is built on the property of their waste water treatment facility.
- Will this range be used exclusively by Caswell county law enforcement, or will it be available to others outside the county? – The range will not be open to the public this will be for law enforcement use only. We will extend the availability to any law enforcement agency that we share a mutual aid agreement with to use the range if the need arises. We have had to rely on other agencies to complete our qualifications in the past and we want to be good partners. However, this will not increase our live fire days and we will have our FI or POC on site if this was to happen to monitor their training.

Additional information the current Adult Correction range used in the county is 864" from the Town of Yanceyville limits, the proposed site at the landfill is 1,397 feet from the closest point. The county firing range have listed the following requirements and beside it in red I will list where our proposed range is in comparison.

- | | |
|---|--|
| - Each berm shall have a main berm and side berms | - We will have a main and side berm |
| - Main berm min 10' high | - Proposed to be 18' |
| - Free of rocks/debris depth 24" | - Proposed will be min of 24" |
| - Side berm min of 8' | - Proposed will be min of 8' |
| - Land parcel must be min of 20 acres | - Proposed landfill is 166 acres |
| - Side setback require 100' from any property line and public or private right of way | - Closest is 947' |
| - Rear setback require 50' | - Rear 1,225' |
| - Front setback requires 200' | - Front 1,743' |
| - No shooting within 100' of stream or pond | - Bear Branch is 924' |
| - Targets must be at 400' from existing occupied dwelling | - Day Lilly Ln 1,337' |
| - Designated Impact ¼ mile or 1,320' from any existing occupied dwelling | - Proposed location has 15,822' 7033 Hwy 86 N. |

County Range Ordinance does limit the hours of operations but as its printed it reads:

9.72.3 Hours of Operation. Shooting ranges shall be allowed to operate between sunrise and sunset Monday through Saturday, 1pm until sunset on Sundays, except that the hours may be extended after sunset for purposes of subdued-lighting certification of law enforcement officers, or may be extended for other purposes only when a permit allowing such activity is issued in advance by the Sheriff's Office.

The Atwater residence is 2,347 feet from the proposed site
 The Barfield residence is 3,609 feet from the proposed site
 The Watlington residence is 4,395 feet from the proposed site

Meeting Date: May 5, 2025



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Presentation on FY 2025-2026 Budget

BACKGROUND INFORMATION:

Former Interim County Manager Renee Paschal will present the FY 2025-2026 budget. Copies of the budget will be handed out during the meeting.

RECOMMENDED ACTION/MOTION:

FISCAL IMPACT:

ATTACHMENTS:



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Agreement with Caswell County Tourism Development Authority (CCTDA)

BACKGROUND INFORMATION:

CCTDA was established to promote travel and tourism as a public authority under the Local Government Budget and Fiscal Control Act in accordance with NCGS Session Law 2007-224 Senate Bill 442 (SL2007-224) - "An Act to authorize Caswell County and the Town of Yanceyville to levy a room occupancy tax." The legislation provides that the Caswell County Finance Officer shall be the ex officio finance officer of the CCTDA.

CCTDA desires for the County to serve as the fiscal agent for the CCTDA.

The attached agreement memorializes this arrangement between Caswell County and CCTDA.

RECOMMENDED ACTION/MOTION:

This item is for discussion purposes. The County Attorney has not yet reviewed the agreement. Pending his review, a final agreement will be presented for approval at the May 19, 2025 meeting.

FISCAL IMPACT:

The agreement provides for the county to charge a 3% administrative fee, which is estimated to generate \$2,700 and has been included in the proposed FY 2026 Budget.

ATTACHMENTS:

Draft Agreement

**STATE OF NORTH CAROLINA
CASWELL COUNTY**

CCTDA Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 2025 by and between **Caswell County**, North Carolina (the "County") and **Caswell County Tourism Development Authority** (the "CCTDA") to outline roles and responsibilities regarding maintenance of the financial records of the CCTDA, collectively, the "Parties."

WITNESSETH:

WHEREAS, the CCTDA was established to promote travel and tourism as a public authority under the Local Government Budget and Fiscal Control Act in accordance with NCGS Session Law 2007-224 Senate Bill 442 (SL2007-224) - "An Act to authorize Caswell County and the Town of Yanceyville to levy a room occupancy tax." The finance officer for the County shall be the ex officio finance officer of the CCTDA.

WHEREAS, the CCTDA is to advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. These activities include administrative expenses incurred in engaging in the listed activities.

WHEREAS, SL2007-224 defines tourism-related expenditures as those that are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourist or business travelers. These expenditures include tourism-related capital expenditures.

WHEREAS, the Board of Commissioners of Caswell County approved the levy of a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the County and the Town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).

WHEREAS, the Yanceyville Town Council levied a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the town that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) by Resolution on February 6, 2024.

WHEREAS, Yanceyville Town Council by Resolution on September 12, 2023, authorized the Town of Yanceyville to remit the room occupancy tax to the CCTDA and that the occupancy tax be collected by the County.

WHEREAS, the finance officer of the County serves as ex-officio finance officer of the CCTDA and the CCTDA desires for the County to serve as the fiscal agent for the CCTDA.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

I. ANNUAL BUDGET

By April 15 each year, the CCTDA shall submit their upcoming Fiscal Year Budget request for consideration in the County's Annual Operating Budget. The Board of Commissioners and Yanceyville Town Council shall consider and adopt the annual CCTDA budget. In accordance with SL2007-224,

the CCTDA shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Caswell County and shall use the remainder for tourism-related expenditures.

II. TERM

The term of this Agreement shall continue until amended by the Board of County Commissioners.

III. ACCOUNTING

A. TRANSACTION PROCESSING

The County will handle all accounting for the CCTDA through its Finance Department. The CCTDA and County finance officer will establish procedures for payment requests and other recurring transactions in a form acceptable to both CCTDA and the County. The CCTDA will use the accounting codes established by the County when requesting transactions.

B. REPORTING

The County will provide CCTDA with monthly reports to include trial balance (cash balance), budget versus actual, and detail transactions by a mutually agreed upon date. The CCTDA may request additional reports as needed by contacting the finance officer and allowing a reasonable time for completion.

C. ANNUAL AUDIT

The CCTDA is required to have an annual audit for the Fiscal Year (July 1 – June 30). The County's auditors will conduct the audit and the cost of the audit will be charged to the CCTDA. The CCTDA shall include the cost of the audit in its annual budget.

IV. DISTRIBUTION OF TAX REVENUE

A. DISBURSEMENT

The County shall, on a monthly basis, remit the net proceeds of the occupancy tax to the CCTDA. Pursuant to Session Law 2007-224, Section 1.(c) the net proceeds are the "gross proceeds less the cost to the county of administering and collecting the tax, as determine by the finance officer, not exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.

V. COUNTY FINANCE OFFICER

NCGS Session Law 2007-224 Senate Bill 442 (SL2007-224) states that the "finance officer for the County shall be the ex officio finance officer of the CCTDA." The County Finance Officer is expected to regularly attend the CCTDA. The CCTDA will ensure that the County Finance Officer is provided a schedule of all meetings. If the County Finance Officer is expected to present any information at the CCTDA meetings, the CCTDA will provide at least two weeks' notice.

VI. RELATIONSHIP OF PARTIES

CCTDA is an independent contractor of the County. CCTDA represents that it has or will secure, at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this Agreement shall be fully qualified and shall be authorized or permitted under state and local law to perform such services. It is further agreed that the CCTDA will obey all State and

Federal statutes, rules and regulations that are applicable to provisions of the services called herein. Neither CCTDA nor any employee of the CCTDA shall be deemed an officer, employee or agent of the County.

VII. CANCELLATION

This Agreement may be canceled by CCTDA upon thirty (30) days' written notice to the County, and the County may terminate this agreement upon thirty (30) days' written notice to CCTDA. 6) The CCTDA understands that failure to meet any provision in Section I shall constitute grounds for cancellation of the agreement subject to Section VI and will be considered in the determining future funding agreements.

VIII. INDEMNIFICATION

CCTDA agrees to defend, indemnify, and hold harmless the County, for all loss, liability, claims or expense (including reasonable attorney's fees) arising from bodily injury, including death or property damage, to any person or persons caused in whole or in part by the negligence or misconduct of the CCTDA, except to the extent same are caused by the negligence or willful misconduct of the County.

IX. NON-ASSIGNMENT

CCTDA shall not assign all or any portion of this Agreement, including rights to payments, to any other party without the prior written consent of the County.

X. ENTIRE AGREEMENT

The parties have read this Agreement and agree to be bound by all of its terms, and further agree that it constitutes the complete and exclusive statement of the Agreement between the parties unless and until modified in writing and signed by the parties. Modifications may be evidenced by electronic signatures.

XI. GOVERNING LAW

Both parties agree that this Agreement shall be governed by the laws of the State of North Carolina.

XII. Notice.

Any notice to either Party hereunder shall be in writing and sent by prepaid, first-class mail, or via email, to the person designated as follows:

If to Caswell County:

Melissa Miller
Deputy Finance Officer

Yanceyville, NC.
mmiller@caswellcountync.gov

If to CCTDA:

[Signature page follows this page.]

IN WITNESS WHEREOF, the Parties executed and entered into this Agreement as of the date first written above.

Caswell County

Chair, Board of Commissioners

Caswell County Tourism Development Authority

DRAFT



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Discussion on Co-Square rental policy and fees

BACKGROUND INFORMATION:

Co-Square staff has received inquiries about renting the facility for events. Currently, the county has no policy or fee structure for this to occur. In an effort to increase revenue, staff recommends adopting a policy and fee schedule for event rental.

The policy requires that events be held after normal working hours, so as not to conflict with the business use of the building, which is the primary purpose. The policy outlines the types of events that are allowed:

- Educational and professional development workshops
- Business meetings and corporate events
- Community gatherings and social functions
- Cultural and artistic presentations
- Nonprofit and charitable events
- Private celebrations such as showers, birthdays, and anniversaries (subject to guidelines)
- Religious and spiritual gatherings that comply with facility rules

And those that are not allowed:

- Events promoting hate speech, discrimination, or violence
- Political rallies or events endorsing specific candidates or parties
- Events that include illegal activities or substances
- Events that may pose a significant safety risk or disruption to the community
- Excessively loud or disruptive events that violate noise ordinances
- Events exceeding capacity limits or violating fire safety regulations
- Events involving weapons, gambling, or any form of illicit activity

The policy allows management to require the hiring of security through the Caswell County Sheriff's Office.

The policy was developed after reviewing policies from other event centers. The fee policy was developed after reviewing fees from similar venues.

RECOMMENDED ACTION/MOTION:

This item is for discussion purposes. If the board concurs, this item will be brought back for final approval on May 19, 2025.

FISCAL IMPACT:

The Recommended FY 2026 budget includes an estimate of \$10,000 in fees from facility rentals.

ATTACHMENTS:

CoSquare Facility Rental Policy

CoSquare Fee Policy

CoSquare Facility Event Policy

Purpose:

This policy outlines the types of events permitted and prohibited within the facility to ensure a safe, inclusive, and respectful environment for all guests, staff, and community members.

Permitted Events:

The facility welcomes events that align with its mission and values, including but not limited to:

- Educational and professional development workshops
- Business meetings and corporate events
- Community gatherings and social functions
- Cultural and artistic presentations
- Nonprofit and charitable events
- Private celebrations such as showers, birthdays, and anniversaries (subject to guidelines)
- Religious and spiritual gatherings that comply with facility rules

Events may be held from 5pm – 9pm on weekdays and between 9am - 9pm on weekends.

The renter will be given an access code that they will use to get in and out of the building to set up and clean up from their events. They will be expected to respect their contract and not use their code outside of these parameters.

Prohibited Events:

To maintain the integrity of the facility and ensure the safety and comfort of all patrons, the following types of events are not allowed:

- Events promoting hate speech, discrimination, or violence
- Political rallies or events endorsing specific candidates or parties
- Events that include illegal activities or substances
- Events that may pose a significant safety risk or disruption to the community
- Excessively loud or disruptive events that violate noise ordinances
- Events exceeding capacity limits or violating fire safety regulations
- Events involving weapons, gambling, or any form of illicit activity

Security Standards:

We reserve the right to determine whether security is required for any event based on the nature and size of the gathering. If deemed necessary through the approval process, security will be provided through the Sheriff's Office. The associated cost will be the responsibility of the renter, based on the current rate set by the Sheriff's Office, sent in an invoice directly to the renter from the Sheriff's Office.

If requested, security can be provided if approved by the Sheriff's Office.

Approval Process:

All events must be submitted one month ahead of time, reviewed, and approved by facility management. Event organizers are required to submit an event request form, outlining the nature of the event, expected attendance, and any special accommodations required. The facility reserves the right to deny any event that does not align with this policy.

Enforcement and Compliance:

Failure to adhere to this policy may result in event cancellation, forfeiture of deposits, and/or restrictions on future use of the facility. The facility management reserves the right to amend this policy as needed to address evolving community needs and regulations.

For any questions or clarification regarding this policy, please contact facility management.

CoSquare Facility Event Pricing Policy

Purpose: This policy outlines the pricing structure for events held within the facility to ensure transparency, fairness, and consistency in rental costs and associated fees.

Pricing Structure: Event pricing is determined based on the following factors:

- **Type of Event** (private, nonprofit, corporate, community, etc.)
- **Facility Space Used** (meeting rooms, common area)
- **Duration of Event** (hourly, half-day, full-day, multi-day)
- **Day and Time** (weekday, weekend, peak vs. off-peak hours)
- **Additional Services Required** (security, audiovisual equipment, etc.)

Discounted rates may be available for nonprofit organizations and community groups upon approval. These groups may receive a 10% discount if 3+ hours on a weeknight or 8+ hours on a weekend.

Additional Fees:

- **Security Deposit:** A refundable deposit of \$50 is required for all reservations. The deposit will be refunded if the Renter complies with all requirements.
- **Cleaning Fee:** A cleaning fee of \$100 applies to events where the Renter does not comply with the policy of cleaning up after the event.
- **Kitchen Use Fee:** Use of kitchen appliances carries a \$50 fee.
- **Overtime Charges:** Events exceeding their scheduled time will incur an overtime fee of \$75 per hour.
- **Security Services:** Events requiring security will be charged a \$40/hour fee based on the Sheriff's Office's security rental policy.

Payment Terms:

- Full payment is due no later than 10 days before the event.
- Cancellations made less than 15 days before the event will result in the forfeiture of the deposit.

Booking and Approval Process:

- Event organizers must submit a request form detailing the event type, expected attendance, and required services.
- Facility management will review and confirm pricing based on the details provided.
- A signed rental agreement and payment of required fees are necessary to secure the booking.

Enforcement and Compliance: Failure to comply with the payment terms and facility policies may result in cancellation, additional charges, or denial of future bookings.

For further inquiries regarding event pricing, please contact facility management.

Pricing

Monday – Friday (after 5pm):

- **Common Area:**
 - \$50 per hour/\$200 per evening
- **Conference Room**
 - \$35 per hour/\$150 per evening

Saturday - Sunday (9am – 9pm):

- **Common Area**
 - \$75 per hour/\$300_per half day/\$600 per day
- **Conference Room**
 - \$50 per hour/\$250 per half day/\$400 per day



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Designation of Scott Whitaker as Clerk to the Board

BACKGROUND INFORMATION:

NC General Statute 153A-111 requires that the Board of Commissioners appoint a Clerk to the Board or designate another position to serve as the clerk:

The board of commissioners shall appoint or designate a clerk to the board. The board may designate the register of deeds or any other county officer or employee as clerk. The clerk shall perform any duties that may be required by law or the board of commissioners. The clerk shall serve as such at the pleasure of the board.

The Clerk is required to perform several statutory functions including keeping official minutes of board meetings, maintaining the county's ordinance book and code of ordinances, and giving notices of board meetings.

The board has approved combining these duties with the County Manager.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to designate Scott Whitaker as Clerk to the Board.

FISCAL IMPACT:

Savings are expected to result from this action, as the Clerk to the Board position can be eliminated and a less expensive administrative support position hired.

ATTACHMENTS:



AGENDA FORM

TO: Caswell County Board of Commissioners
FROM: Scott Whitaker, County Manager
SUBJECT: Approval of contract with BioClean Restoration, Inc. to renovate the Agriculture Building Kitchen

BACKGROUND INFORMATION:

The FY 2025 budget included \$49,500 to renovate the Agriculture Building kitchen. The Maintenance Director has received bids for the project. The low bid was submitted by BioClean for \$38,742.56.

The County Attorney has drafted the attached contract with BioClean. Because of the amount (greater than \$25,000), the Board of Commissioners must approve the contract.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to approve the contract with BioClean Restoration, Inc. to renovate the Agriculture Building Kitchen in the amount of \$38,742.56.

FISCAL IMPACT:

Funds were included in the FY 2025 budget. The project is \$10,757.44 less than budgeted.

ATTACHMENTS:

Contract
Bid summary

COUNTY OF CASWELL STANDARD FORM OF CONTRACT AND GENERAL CONDITIONS

FOR

*(Bioclean Restoration, Inc.)
(Caswell kitchen remodel)
(339 Wall St., Yanceyville, NC)
(Project ID# - if applicable)*

SCOPE OF WORK

*-Extending the existing wall by constructing a new framed wall and installing drywall.
-Installing new cabinetry and countertops per drawing.
-Relocating existing electrical systems to accommodate the new wall and cabinetry, which included the installation of a new cooktop, microwave, and the addition of extra electrical outlets as required.
-Painting the entire kitchen area.
-Installing new flooring into the foyer, hallway, base of stairway, and kitchen.*

NOTICE TO BIDDERS

Sealed bid for this work will be received by:

*(Person to receive)
(Agency/Institution)
(Physical address – Office, Building, Room)
(Mailing Address)
(Telephone/Fax)*

up to **3:00 PM**, on *(Date)* _____ and immediately thereafter publicly opened and read aloud. Complete plans and specification and contract documents can be obtained from

(Designer/Owner, address, telephone)

Contractors are hereby notified that they must have proper license under the State laws governing their respective trades and that North Carolina General Statute 87 will be observed in receiving and awarding contracts. General Contractors must have general license classification for _____ ([See Licensing Board Rules & Regulations](#)).

No bid may be withdrawn after the opening of bids for a period of 30 days. The Owner reserves the right to reject any or all bids and waive informalities. Bids shall be made only on the BID/ACCEPTANCE form provided herein with all blank spaces for bids properly filled in and all signatures properly executed.

Please note on the envelope – **Bid : Attn:** *(Owner Representative)*

(Project Name)

(Bid Date)
(Contractor)
(License Number)

Add any additional information such as Contact Person, site visit, hours, pre-bid conference, mailing instructions.

All material in red/italics are instructions to Owner/Designer and must be edited or deleted.

BID/ACCEPTANCE FORM

for

(Extension office kitchen remodel)

(ID# if applicable)

(Designer to include Addendum language only if applicable to the project)

We are in receipt of Addendum _____ 1 _____ 2 _____ 3 _____ 4

The undersigned, as bidder, proposes and agrees if this bid is accepted to contract with the *Caswell County, NC* through Bioclean Restoration, Inc. for the furnishing of all materials, equipment, and labor necessary to complete the construction of the work described in these documents in full and complete accordance with plans, specifications, and contract documents, and to the full and entire satisfaction of the *(Caswell County, NC)* and the _____
(Bioclean Restoration, Inc.) for the sum of: \$38,742.56

Bioclean Restoration, Inc.

(Contractor's Name)

Federal ID#: _____

By: _____

Witness: _____

Title: _____

(Owner, partner, corp. Pres. Or Vice President)

(Proprietorship or Partnership)

Address: _____

Attest: *(corporation)*

Email Address: _____

(Corporate Seal)

By: _____ License #: _____

Title: _____
(Corporation, Secretary./Ass't Secretary.)

ACCEPTED by the COUNTY OF CASWELL
through the

(Caswell County Board of Commissioners/County Manager)

Total amount of bid accepted by the owner, : _\$38,742.56_____

BY: _____ TITLE: _____

Date: _____

GENERAL CONDITIONS

1. GENERAL

It is understood and agreed that by submitting a bid that the Contractor has examined these contract documents, drawings and specifications and has visited the site of the Work, and has satisfied himself relative to the Work to be performed.

2. DEFINITIONS

Owner: "Owner" shall mean, The County of Caswell

Contractor: "Contractor" shall mean Bioclean Restoration, Inc.

Designer: The **designer(s)** are those referred to within this contract, or their authorized representatives. The Designer(s), as referred to herein, shall mean architect and/or engineer responsible for preparing the project plans and specifications. They will be referred to hereinafter as if each were of the singular number, masculine gender.

Contract Documents: "Contract Documents" shall consist of the Notice to Bidders; General Conditions of the Contract; special conditions if applicable; Supplementary General Conditions; the drawing and specifications, including all bulletins, addenda or other modifications of the drawings and specifications incorporated into the documents prior to their execution; the bid; the contract; the performance bond if applicable; and insurance certificates. All of these items together form the contract.

INTENT AND EXECUTION OF DOCUMENTS

The drawings and specifications are complementary, one to the other. That which is shown on the drawings or called for in the specifications shall be as binding as if it were both called for and shown. The intent of the drawings and specifications is to establish the scope of all labor, materials, transportation, equipment, and any and all other things necessary to provide a complete job. In case of discrepancy or disagreement in the Contract Documents, the order of precedence shall be: Form of Contract, specifications, large-scale detail drawings, small-scale drawings.

In such cases where the nature of the work requires clarification by the Designer/ Owner, the Designer/ Owner shall furnish such clarification. Clarifications and drawings shall be consistent with the intent of the Contract Documents, and shall become a part thereof.

4. AS-BUILT MARKED-UP CONSTRUCTION DOCUMENTS

Contractor shall provide one complete set of legible "as-built" marked-up construction drawings and specifications recording any and all changes made to the original design during the course of construction. In the event no changes occurred, submit construction drawings and specifications set with notation "No Changes." The Designer/Owner must receive "As-built" marked-up construction drawings and specifications before the final pay request can be processed.

5. SUBMITTAL DATA

The Contractor awarded the contract shall submit all specified submittals to the Owner/Designer. A minimum number of copies as specified by the owner, of all required submittal data pertaining to construction, performance and general dimensional criteria of the components listed in the technical specifications shall be submitted. No material or equipment shall be ordered or installed prior to written approval of the submittals by the Designer/Owner. Failure to provide submittal data for review on

equipment listed in the technical specifications will result in removal of equipment by the Contractor at his expense if the equipment is not in compliance with the specifications.

6. SUBSTITUTIONS

In accordance with the provisions of G.S. 133-3, material, product, or equipment substitutions proposed by the bidders to those specified herein can only be considered during the bidding phase until five (5) days prior to the receipt of bids or by the date specified in the pre bid conference, when submitted to the Designer with sufficient data to confirm material, product, or equipment equality. Proposed substitutions submitted after this time will be considered only as potential change order.

Submittals for proposed substitutions shall include the following information:

- a. _____ Name, address, and telephone number of manufacturer and supplier as appropriate.
- b. Trade name, model or catalog designation.
- c. Product data including performance and test data, reference standards, and technical descriptions of material, product, or equipment. Include color samples and samples of available finishes as appropriate.
- d. Detailed comparison with specified products including performance capabilities, warranties, and test results.
- e. Other pertinent data including data requested by the Designer to confirm product equality.

If a proposed material, product, or equipment substitution is deemed equal by the Designer to those specified, all bidders of record will be notified by Addendum.

7. WORKING DRAWINGS AND SPECIFICATIONS AT THE JOB SITE

The contractor shall maintain, in readable condition at his job site one complete set of working drawings and specifications for his work including all shop drawings. Such drawings and specifications shall be available for use by the owner, designer or his authorized representative.

The contractor shall maintain at the job site, a day-to-day record of work-in-place that is at variance with the contract documents. Such variations shall be fully noted on project drawings by the contractor and submitted to the designer upon project completion and no later than 30 days after acceptance of the project.

8. MATERIALS, EQUIPMENT, EMPLOYEES

- a. The contractor shall, unless otherwise specified, supply and pay for all labor, transportation, materials, tools, apparatus, lights, power, fuel, heat, sanitary facilities, water, scaffolding and incidentals necessary for the completion of his work, and shall install, maintain and remove all equipment of the construction, other utensils or things, and be responsible for the safe, proper and lawful construction, maintenance and use of same, and shall construct in the best and most workmanlike manner, a complete job and everything incidental thereto, as shown on the plans, stated in the specifications, or reasonably implied therefrom, all in accordance with the contract documents.
- b. All materials shall be new and of quality specified, except where reclaimed material is authorized herein and approved for use. Workmanship shall at all times be of a grade accepted as the best practice of the particular trade involved, and as stipulated in written standards of recognized organizations or institutes of the respective trades except as exceeded or qualified by the specifications.

- c. Upon notice, the contractor shall furnish evidence as to quality of materials.
- d. Products are generally specified by ASTM or other reference standard and/or by manufacturer's name and model number or trade name. When specified only by reference standard, the Contractor may select any product meeting this standard, by any manufacturer. When several products or manufacturers are specified as being equally acceptable, the Contractor has the option of using any product and manufacturer combination listed. However, the contractor shall be aware that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Request for substitution of materials, items, or equipment shall be submitted to the designer for approval or disapproval; the designer prior to the opening of bids shall make such approval or disapproval. Alternate materials may be requested after the award if it can clearly be demonstrated that it is an added benefit to the owner and the designer and owner approves.
- e. The designer is the judge of equality for proposed substitution of products, materials or equipment.
- f. If at any time during the construction and completion of the work covered by these contract documents, the language, conduct, or attire of any workman of the various crafts be adjudged a nuisance to the owner or designer, or if any workman be considered detrimental to the work, the contractor shall order such parties removed immediately from grounds.
- g. The Contractor shall cooperate with the designer and the owner in coordinating construction activities.
- h. The Contractor shall maintain qualified personnel and effective supervision at the site at all times during the project, and exercise the appropriate quality control program to ensure compliance with the project drawings and specifications. The designer is responsible for determining compliance with the drawings and specifications.

9. CODES, PERMITS AND INSPECTIONS

The Contractor shall obtain the required permits, if required, give all notices, and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work under this contract. If the Contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the Designer in writing. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the Owner, he shall bear all cost arising there from.

All work under this contract shall conform to the current North Carolina Building Code and other state and national codes as are applicable.

Projects constructed by the State of North Carolina or by any agency or institution of the State are not subject to county or municipal building codes and may* not be subject to inspection by county or municipal authorities. Where appropriate, the Contractor shall, cooperate with the county or municipal authorities by obtaining building permits. The contractor at no cost may obtain permits to the owner.

All fire alarm work shall be in accordance with the latest State Construction Office (SCO) *Guidelines for Fire Alarm Installation* (NFPA72). Where the contract documents are in conflict with the SCO guidelines, the SCO guidelines shall govern. The Contractor shall be responsible for all the costs for the correction of

the work where he installs it in conflict with the latest edition of the SCO *Guidelines for Fire Alarm Installation*..

*Inspection and certification of compliance by local authorities is necessary if an architect or engineer was not employed on the project, or if the plans and specifications were not approved and the construction inspected by the State Construction Office.

10. PROTECTION OF WORK, PROPERTY, THE PUBLIC AND SAFETY

- a. The contractors shall be jointly responsible for the entire site and the building or construction of the same and provide all the necessary protections, as required by the owner or designer, and by laws or ordinances governing such conditions. They shall be responsible for any damage to the owner's property or of that of others on the job, by them, their personnel, or their subcontractors, and shall make good such damages. They shall be responsible for and pay for any damages caused to the owner. All contractors shall have access to the project at all times, except as indicated in the Supplemental General Conditions.
- b. The contractor shall provide cover and protect all portions of the structure when the work is not in progress, provide and set all temporary roofs, covers for doorways, sash and windows, and all other materials necessary to protect all the work on the building, whether set by him, or any of the subcontractors. Any work damaged through the lack of proper protection or from any other cause, shall be repaired or replaced without extra cost to the owner.
- c. No fires of any kind will be allowed inside or around the operations during the course of construction without special permission from the designer and owner.
- d. The contractor shall protect all trees and shrubs designated to remain in the vicinity of the operations by building substantial boxes around it. He shall barricade all walks, roads, etc., as directed by the designer to keep the public away from the construction. All trenches, excavations or other hazards in the vicinity of the work shall be well barricaded and properly lighted at night.
- e. The contractor shall provide all necessary safety measures for the protection of all persons on the job, including the requirements of the A.G.C. *Accident Prevention Manual in Construction*, as amended, and shall fully comply with all state laws or regulations and North Carolina State Building Code requirements to prevent accident or injury to persons on or about the location of the work. He shall clearly mark or post signs warning of hazards existing, and shall barricade excavations, elevator shafts, stairwells and similar hazards. He shall protect against damage or injury resulting from falling materials and he shall maintain all protective devices and signs throughout the progress of the work.
- f. The contractor shall adhere to the rules, regulations and interpretations of the North Carolina Department of Labor relating to Occupational Safety and Health Standards for the Construction Industry (Title 29, Code of Federal Regulations, Part 1926, published in Volume 39, Number 122, Part II, June 24, 1974, *Federal Register*), and revisions thereto as adopted by General Statutes of North Carolina 95-126 through 155.
- i. In the event of emergency affecting the safety of life, the protection of work, or the safety of adjoining properties, the contractor is hereby authorized to act at his own discretion, without further authorization from anyone, to prevent such threatened injury or damage. Any compensation claimed by the contractor on account of such action shall be determined as provided for under Article 13(b).

- j. Any and all costs associated with correcting damage caused to adjacent properties of the construction site or staging area shall be borne by the contractor. These costs shall include but not be limited to flooding, mud, sand, stone, debris, and discharging of waste products.

11. SUBCONTRACTS AND SUBCONTRACTORS

The Contractor is and remains fully responsible for his own acts or omissions as well as those of any subcontractor or of any employee of either. The Contractor agrees that no contractual relationship exists between the subcontractor and the Owner in regard to the contract, and that the subcontractor acts on this work as an agent or employee of the Contractor.

12. CONTRACTOR-SUBCONTRACTOR RELATIONSHIPS

The Contractor agrees that the terms of these Contract Documents shall apply equally to each Subcontractor as to the Contractor, and the Contractor agrees to take such action as may be necessary to bind each Subcontractor to these terms. The Contractor further agrees to conform to the Code of Ethical Conduct as adopted by the Associated General Contractors of America, Inc., with respect to Contractor-Subcontractor relationships. The Owner reserves the right to limit the amount of portions of work to be subcontracted as hereinafter specified.

13. CHANGES IN THE WORK AND CLAIMS FOR EXTRA COST

- a. The owner may have changes made in the work covered by the contract. These changes will not invalidate and will not relieve or release the contractor from any guarantee given by him pertinent to the contract provisions. These changes will not affect the validity of the guarantee bond and will not relieve the surety or sureties of said bond. All extra work shall be executed under conditions of the original contract.
- b. Except in an emergency endangering life or property, no change shall be made by the contractor except upon receipt of approved change order from the designer, countersigned by the owner authorizing such change. No claim for adjustments of the contract price shall be valid unless this procedure is followed. Should a claim for extra compensation by the contractor be denied by the designer or the owner, the contractor may pursue his claim in accordance with G.S. 143-135.3.

In the event of emergency endangering life or property, the contractor may be directed to proceed on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the designer or owner, a correct account of costs together with all proper invoices, payrolls and supporting data. Upon completion of the work the change order will be prepared as outlined under either Method "c(1)" or Method "c(2)" or both.

- c. In determining the values of changes, either additive or deductive, contractors are restricted to the use of the following methods:
 - 1. Where the extra work involved is covered by unit prices quoted in the proposal, or subsequently agreed to by the Contractor, Designer, Owner and State Construction Office the value of the change shall be computed by application of unit prices based on quantities, estimated or actual as agreed of the items involved, except in such cases where a quantity exceeds the estimated quantity allowance in the contract by one hundred percent (100%) or more. In such cases, either party may elect to proceed under subparagraph c (2) herein. If neither party elects to proceed under c (2), then unit prices shall apply.

2. The contracting parties shall negotiate and agree upon the equitable value of the change prior to issuance of the change order, and the change order shall stipulate the corresponding lump sum adjustment to the contract price.
- d. Under Paragraph "b" and Methods "c(2)" above, the allowances for overhead and profit combined shall be as follows: all contractors (the single contracting entity (prime), his subcontractors(1st tier subs), or their sub-subcontractors (2nd tier subs, 3rd tier subs, etc.) shall be allowed a maximum of 10% on work they each self-perform; the prime contractor shall be allowed a maximum of 5% on contracted work of his 1st tier sub; 1st tier, 2nd tier, 3rd tier, etc. contractors shall be allowed a maximum of 2.5% on the contracted work of their subs. ; Under Method "c(1)", no additional allowances shall be made for overhead and profit. In the case of deductible change orders, under Method "c(2)" and Paragraph (b) above, the contractor shall include no less than five percent (5%) profit, but no allowances for overhead.
- e. The term "net cost" as used herein shall mean the difference between all proper cost additions and deductions. The "cost" as used herein shall be limited to the following:
1. The actual costs of materials and supplies incorporated or consumed as part of the work;
 2. The actual costs of labor expended on the project site; labor expended in coordination, change order negotiation, record document maintenance, shop drawing revision or other tasks necessary to the administration of the project are considered overhead whether they take place in an office or on the project site.
 3. The actual costs of labor burden, limited to the costs of social security (FICA) and Medicare/Medicaid taxes; unemployment insurance costs; health/dental/vision insurance premiums; paid employee leave for holidays, vacation, sick leave, and/or petty leave, not to exceed a total of 30 days per year; retirement contributions; worker's compensation insurance premiums; and the costs of general liability insurance when premiums are computed based on payroll amounts; the total of which shall not exceed thirty percent (30%) of the actual costs of labor;
 4. The actual costs of rental for tools, excluding hand tools; equipment; machinery; and temporary facilities required for the work;
 5. The actual costs of premiums for bonds, insurance, permit fees and sales or use taxes related to the work.
- Overtime and extra pay for holidays and weekends may be a cost item only to the extent approved by the owner.
- f. Should concealed conditions be encountered in the performance of the work below grade, or should concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the contract documents, the contract sum and time for completion may be equitably adjusted by change order upon claim by either party made within thirty (30) days after the condition has been identified. The cost of such change shall be arrived at by one of the foregoing methods. All change orders shall be supported by a unit cost breakdown showing method of arriving at net cost as defined above.
- g. Change orders shall be submitted by the contractor in writing to the owner/designer for review and approval. The contractor will provide such proposal and supporting_data in suitable format. The designer shall verify correctness. Delay in the processing of the change order due to lack of proper submittal by the contractor of all required supporting

data shall not constitute grounds for a time extension or basis of a claim. Within fourteen (14) days after receipt of the contractor's accepted proposal including all supporting documentation required by the designer, the designer shall prepare the change order and forward to the contractor for his signature or otherwise respond, in writing, to the contractor's proposal. Within seven (7) days after receipt of the change order executed by the contractor, the designer shall, certify the change order by his signature, and forward the change order and all supporting data to the owner for the owner's signature. The owner shall execute the change order, within seven (7) days of receipt.

At the time of signing a change order, the contractor shall be required to certify as follows:

"I certify that my bonding company will be notified forthwith that my contract has been changed by the amount of this change order, and that a copy of the approved change order will be mailed upon receipt by me to my surety."

- h. A change order, when issued, shall be full compensation, or credit, for the work included, omitted or substituted. It shall show on its face the adjustment in time for completion of the project as a result of the change in the work.
- i. If, during the progress of the work, the owner requests a change order and the contractor's terms are unacceptable, the owner, may require the contractor to perform such work on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the Designer or owner, a correct account of cost together with all proper invoices, payrolls and supporting data. Upon completion of the work a change order will be prepared with allowances for overhead and profit per paragraph d. above and "net cost" and "cost" per paragraph e. above. Without prejudice, nothing in this paragraph shall preclude the owner from performing or to have performed that portion of the work requested in the change order.

14. ANNULMENT OF CONTRACT

If the contractor fails to begin the work under the contract within the time specified, or the progress of the work is not maintained on schedule, or the work is not completed within the time specified, or fails to perform the work with sufficient workmen and equipment or with sufficient materials to ensure the prompt completion of said work, or shall perform the work unsuitably or shall discontinue the prosecution of the work, or if the contractor shall become insolvent or be declared bankrupt or commit any act of bankruptcy or insolvency, or allow any final judgment to stand against him unsatisfied for a period of forty-eight (48) hours, or shall make an assignment for the benefit of creditors, or for any other cause whatsoever shall not carry on the work in an acceptable manner, the owner may give notice in writing, sent by certified mail, return receipt requested, to the contractor and his surety (if applicable) of such delay, neglect or default, specifying the same, and if the contractor within a period of seven (7) days after such notice shall not proceed in accordance therewith, then the owner shall, declare this contract in default, and, thereupon, the surety shall promptly take over the work and complete the performance of this contract in the manner and within the time frame specified. In the event the contractor, or the surety (if applicable) shall fail to take over the work to be done under this contract within seven (7) days after being so notified and notify the owner in writing, sent by certified mail, return receipt requested, that he is taking the same over and stating that he will diligently pursue and complete the same, the owner shall have full power and authority, without violating the contract, to take the prosecution of the work out of the hands of said contractor, to appropriate or use any or all contract materials and equipment on the grounds as may be suitable and acceptable and may enter into an agreement, either by public letting or negotiation, for the completion of said contract according to the terms and provisions thereof or use such other methods as in his opinion shall be required for the completion of said contract in an acceptable manner. All costs and charges incurred by the owner, together with the costs of completing the work under contract, shall be deducted from any monies due or which may become due said contractor and surety (if applicable). In case the expense so incurred by the owner shall be less than the sum which would have been payable

under the contract, if it had been completed by said contractor, then the said contractor and surety (if applicable) shall be entitled to receive the difference, but in case such expense shall exceed the sum which would have been payable under the contract, then the contractor and the surety (if applicable) shall be liable and shall pay to the owner the amount of said excess.

15. TERMINATION FOR CONVENIENCE

- a. Owner may at any time and for any reason terminate Contractor's services and work at Owner's convenience, after notification to the contractor in writing via certified mail. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.
- b. Upon such termination, Contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Contractor as approved by Owner; (3) plus ten percent (10%) of the cost of the balance of the work to be completed for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Contractor prior to the date of the termination of this Agreement. Contractor shall not be entitled to any claim or claim of lien against Owner for any additional compensation or damages in the event of such termination and payment.

16. OWNER'S RIGHT TO DO WORK

If, during the progress of the work or during the period of guarantee, the contractor fails to prosecute the work properly or to perform any provision of the contract, the owner, after seven (7) days' written notice sent by certified mail, return receipt requested, to the contractor from the designer, may perform or have performed that portion of the work. The cost of the work may be deducted from any amounts due or to become due to the contractor, such action and cost of same having been first approved by the designer. Should the cost of such action of the owner exceed the amount due or to become due the contractor, then the contractor or his surety, or both, shall be liable for and shall pay to the owner the amount of said excess.

17. REQUESTS FOR PAYMENT

Contractor shall refer to the Supplemental General Conditions for specific directions on payment schedule, procedures and the name and address where to send applications for payments for this project. It is imperative that invoices be sent only to the above address in order to assure proper and timely delivery and handling.

The Designer/Owner will process all Contractor pay requests as the project progresses. The Contractor shall receive payment within thirty (30) consecutive days after Designer/Owner's approval of each pay request. Payment will only be made for work performed as determined by the Designer/Owner.

Retainage:

- a. Retainage withheld will not exceed 5% at any time.
- b. The same terms apply to general contractor and subcontractors alike.
- c. Following 50% completion of the project no further retainage will be withheld if the contractor/subcontractor has performed their work satisfactorily.
- d. Exceptions:
 1. Owner/Contractor can reinstate retainage if the contractor/subcontractor does not continue to perform satisfactorily.

2. Following 50% completion of the project, the owner is authorized to withhold additional retainage from a subsequent periodic payment if the amount of retainage withheld falls below 2.5%.

Final payment will be made within forty-five (45) consecutive days after acceptance of the work, receipt of marked-up "as-built" drawings and specifications and the submission both of notarized Contractor's affidavit and final pay request. All pay requests shall be submitted to the Designer/Owner for approval.

THE CONTRACTOR'S FINAL PAYMENT AFFIDAVIT SHALL STATE: "THIS IS TO CERTIFY THAT ALL COSTS OF MATERIALS, EQUIPMENT, LABOR, SUBCONTRACTED WORK, AND ALL ELSE ENTERING INTO THE ACCOMPLISHMENT OF THIS CONTRACT, INCLUDING PAYROLLS, HAVE BEEN PAID IN FULL."

18. PAYMENTS WITHHELD

The designer with the approval of the Owner may withhold payment for the following reasons:

- a. Faulty work not corrected.
- b. The unpaid balance on the contract is insufficient to complete the work in the judgment of the designer.
- c. To provide for sufficient contract balance to cover liquidated damages that will be assessed.
- d. The secretary of the Department of Administration may authorize the withholding of payment for the following reasons:
 - i. Claims filed against the contractor or evidence that a claim will be filed.
 - ii. Evidence that subcontractors have not been paid.

When grounds for withholding payments have been removed, payment will be released. Delay of payment due the contractor without cause will make owner liable for payment of interest to the contractor as provided in G.S. 143-134.1. As provided in G.S. 143-134.1(e), the owner shall not be liable for interest on payments withheld by the owner for unsatisfactory job progress, defective construction not remedied, disputed work, or third-party claims filed against the owner or reasonable evidence that a third-party claim will be filed.

19. MINIMUM INSURANCE REQUIREMENTS

The work under this contract shall not commence until the contractor has obtained all required insurance and verifying certificates of insurance have been approved in writing by the owner. These certificates shall document that coverages afforded under the policies will not be cancelled, reduced in amount or coverages eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the owner of such alteration or cancellation. If endorsements are needed to comply with the notification or other requirements of this article copies of the endorsements shall be submitted with the certificates.

a. Worker's Compensation and Employer's Liability

The contractor shall provide and maintain, until final acceptance, workmen's compensation insurance, as required by law, as well as employer's liability coverage with minimum limits of \$250,000.

b. **Public Liability and Property Damage**

The contractor shall provide and maintain, until final acceptance, comprehensive general liability insurance, including coverage for premises operations, independent contractors, completed operations, products and contractual exposures, as shall protect such contractors from claims arising out of any bodily injury, including accidental death, as well as from claims for property damages which may arise from operations under this contract, whether such operations be by the contractor or by any subcontractor, or by anyone directly or indirectly employed by either of them and the minimum limits of such insurance shall be as follows:

Bodily Injury:	\$1,000,000 per occurrence
Property Damage:	\$250,000 per occurrence / \$500,000 aggregate

In lieu of limits listed above, a \$1,500,000 combined single limit shall satisfy both conditions.

Such coverage for completed operations must be maintained for at least two (2) years following final acceptance of the work performed under the contract.

c. **Property Insurance (Builder's Risk/Installation Floater)**

The contractor shall purchase and maintain property insurance until final acceptance, upon the entire work at the site to the full insurable value thereof. This insurance shall include the interests of the owner, the contractor, the subcontractors and sub-subcontractors in the work and shall insure against the perils of fire, wind, rain, flood, extended coverage, and vandalism and malicious mischief. If the owner is damaged by failure of the contractor to purchase or maintain such insurance, then the contractor shall bear all reasonable costs properly attributable thereto; the contractor shall effect and maintain similar property insurance on portions of the work stored off the site when request for payment per articles so includes such portions.

d. **Deductible**

Any deductible, if applicable to loss covered by insurance provided, is to be borne by the contractor.

e. **Other Insurance**

The contractor shall obtain such additional insurance as may be required by the owner or by the General Statutes of North Carolina including motor vehicle insurance, in amounts not less than the statutory limits.

f. **Proof of Carriage**

The contractor shall furnish the owner with satisfactory proof of carriage of the insurance required before written approval is granted by the owner.

20. ASSIGNMENT

No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the Owner and solely as a convenience to the Contractor, the Owner may: (1) forward the Contractor's payment check directly to any person or entity designated by the Contractor, and (2) include any person or entity designated by Contractor as a joint

payee on the Contractor's payment check. In no event shall such approval and action obligate the Owner to anyone other than the Contractor, and the Contractor shall remain responsible for fulfillment of all contract obligations.

21. CLEANING UP AND RESTORATION OF SITE

The Contractor shall keep the sites and surrounding area reasonably free from rubbish at all times and shall remove debris from the site from time to time or when directed to do so by the Owner. Before final inspection and acceptance of the project, the Contractor shall thoroughly clean the sites, and completely prepare the project and site for use by the Owner.

At the end of construction, the contractor shall oversee and implement the restoration of the construction site to its original state. Restoration includes but not limited to walks, drives, lawns, trees and shrubs, corridors, stairs and other elements shall be repaired, cleaned or otherwise restored to their original state.

22. GUARANTEE

The contractor shall unconditionally guarantee materials and workmanship against patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve (12) months following the final acceptance of the work and shall replace such defective materials or workmanship without cost to the owner.

Where items of equipment or material carry a manufacturer's warranty for any period in excess of twelve (12) months, then the manufacturer's warranty shall apply for that particular piece of equipment or material. The contractor shall replace such defective equipment or materials, without cost to the owner, within the manufacturer's warranty period.

Additionally, the owner may bring an action for latent defects caused by the negligence of the contractor, which is hidden or not readily apparent to the owner at the time of beneficial occupancy or final acceptance, whichever occurred first, in accordance with applicable law.

Guarantees for roofing workmanship and materials shall be stipulated in the specifications sections governing such roof, equipment, materials, or supplies.

23. STANDARDS

All manufactured items and/or fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving a connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate State inspector which customarily requires the label or re-examination listing or identification marking of appropriate safety standard organization, such as the American Society of Mechanical Engineers for pressure vessels; the Underwriters Laboratories and/or National Electrical Manufacturers Association for electrically operated assemblies; or the American Gas Association for gas operated assemblies, where such approvals of listings have been established for the type of device offered and furnished. Further, all items furnished shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and federal requirements relating to clean air and water pollution.

All equipment and products must be independent third party tested and labeled (UL, FM, or CTS) before final connections to Owner services or utilities.

24. TAXES

- a. Federal excise taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3442(3)).

- b. Federal transportation taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3475(b) as amended).
- c. North Carolina sales tax and use tax, as required by law, do apply to materials entering into state work and such costs shall be included in the bid proposal and contract sum.
- d. Local option sales and use taxes, as required by law, do apply to materials entering into state work as applicable and such costs shall be included in the bid proposal and contract sum.
- e. **Accounting Procedures for Refund of County Sales & Use Tax**

Amount of county sales and use tax paid per contractor's statements:

Contractors performing contracts for state agencies shall give the state agency for whose project the property was purchased a signed statement containing the information listed in G.S. 105-164.14(e).

The Department of Revenue has agreed that in lieu of obtaining copies of sales receipts from contractors, an agency may obtain a certified statement as of April 1, 1991 from the contractor setting forth the date, the type of property and the cost of the property purchased from each vendor, the county in which the vendor made the sale and the amount of local sales and use taxes paid thereon. If the property was purchased out-of-state, the county in which the property was delivered should be listed. The contractor should also be notified that the certified statement may be subject to audit.

In the event the contractors make several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, the counties, and the county sales and use taxes paid thereon.

Name of taxing county: The position of a sale is the retailer's place of business located within a taxing county where the vendor becomes contractually obligated to make the sale. Therefore, it is important that the county tax be reported for the county of sale rather than the county of use.

When property is purchased from out-of-state vendors and the county tax is charged, the county should be identified where delivery is made when reporting the county tax.

Such statement must also include the cost of any tangible personal property withdrawn from the contractor's warehouse stock and the amount of county sales or use tax paid thereon by the contractor.

Similar certified statements by his/her subcontractors must be obtained by the general contractor and furnished to the claimant.

Contractors are not to include any tax paid on supplies, tools and equipment which they use to perform their contracts and should include only those building materials, supplies, fixtures and equipment which actually become a part of or annexed to the building or structure.

25. EQUAL OPPORTUNITY CLAUSE

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to equal employment opportunity for all persons without regard to race,

color, religion, sex or national origin, and the implementing rules and regulations prescribed by the secretary of Labor, are incorporated herein.

The contractor(s) agree not to discriminate against any employee or applicant for employment because of physical or mental disabilities in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with such disabilities without discrimination based upon their physical or mental disability in all employment practices.

26. ACCESS TO PERSONS AND RECORDS

The County Auditor shall have access to persons and records as a result of all contracts or grants entered into by the Owner in accordance with General Statute 147-64.7. The Owner's internal auditors shall also have the right to access and copy the Contractor's records relating to the Contract and Project during the term of the Contract and within two years following the completion of the Project/close-out of the Contract to verify accounts, accuracy, information, calculations and/or data affecting and/or relating to Contractor's requests for payment, requests for change orders, change orders, claims for extra work, requests for time extensions and related claims for delay/extended general conditions costs, claims for lost productivity, claims for lost efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass-through claims of subcontractors and/or suppliers, and/or any other type of claim for payment or damages from Owner and/or its project representatives.

27. GOVERNING LAWS

This contract is made under and shall be governed by and construed in accordance with the laws of the State of North Carolina. The Contractor shall comply with all applicable federal, State and local laws, statutes, ordinances and regulations including, but not limited to, the Omnibus Transportation Act of 1991 and its implementing regulations.

28. CONTRACTOR EVALUATION

The contractor's overall work performance on the project shall be fairly evaluated in accordance with the County policy and procedures, for determining qualifications to bid on future County projects. In addition to final evaluation, an interim evaluation may be prepared during the progress of project. The owner may request the contractor's comments to evaluate the designer.

29. E-VERIFY

The North Carolina General Assembly passed legislation (HB786) on September 4, 2013 requiring North Carolina local governments to impose E-Verify requirements on contractors in formal bidding ranges for procurement and construction. The E-verify Affidavit is located on the Caswell County website in the Finance Department/Forms area. The form must be part of the bid document package.

30. Iran Divestment Act

In the 2015 legislative session, the North Carolina General Assembly enacted the Iran Divestment Act (S.L. 2015-118; SB455)2 ("the Act") which prohibits state agencies and local governments from entering into contracts with an entity that has been identified by the North Carolina State Treasurer as being engaged in certain investment activities in the Iranian energy sector. The State Treasurer's Office is required to publish a list of entities it has identified as engaging in these activities and must update the list every 180 days. An entity identified on the Treasurer's list (called the "Final Divestment List") is prohibited from contracting with a state agency or any local governments.

Local governments must require contractors to certify they are not on the list and that they will not use subcontractors who are on the list. Departments must check with the finance officer or the county attorney to verify the selected vendor or contractor is not on the list.

Any existing contract with a person added to the Iran List while the contract is still in effect will be allowed to expire in accordance with the contract's terms.

SUPPLEMENTARY GENERAL CONDITIONS

TIME OF COMPLETION

The Contractor shall commence work to be performed under this Contract on a date to be specified in written order from the Designer/Owner and shall fully complete all work hereunder within (45) consecutive calendar days from the Notice to Proceed (*Owner may elect to insert here a specific completion date in lieu of a specific number of calendar days*). For each day in excess of the above number of days, the Contractor shall pay the Owner the amount of Dollars (\$) as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the Owner should the Contractor fail to complete the Work within the time specified.

If the Contractor is delayed at anytime in the progress of his work by any act or negligence of the Owner, his employees or his separate contractor, by changes ordered in the work; by abnormal weather conditions; by any causes beyond the Contractor's control or by other causes deemed justifiable by Owner, then the contract time may be reasonably extended in a written order from the Owner upon written request from the contractor within ten days following the cause for delay. Time extensions for weather delays, acts of God, labor disputes, fire, delays in transportation, unavoidable casualties or other delays which are beyond the control of the Owner do not entitle the Contractor to compensable damages for delays. Any contractor claim for compensable damages for delays is limited to delays caused solely by the owner or its agents.

CONSTRUCTION SCHEDULE:

Owner to insert specific schedule requirements.

PAYMENTS

Contractor shall be paid in after the completion of the project.

PERFORMANCE AND PAYMENT BONDS

Contractor shall furnish a Performance Bond and Payment Bond executed by a surety company authorized to do business in North Carolina. The bonds shall be in the full contract amount. Bonds shall be executed in the form bound with these specifications (Forms 307 & 308). An authorized agent of the bonding company who is licensed to do business in North Carolina shall countersign all bonds.

THIS AGREEMENT has been executed as of the date first herein above written.

Caswell County: _____ date _____
Tim Yarbrough Chairman of the Board

_____ date _____
Russell Johnston County Attorney

_____ date _____
Renee Paschal Acting Clerk

This Agreement has been pre-audited in the manner required by the local Government Budget and Fiscal Control Act.

_____ date _____
Melissa Miller Interim Finance Director

BY: _____ TITLE: _____
Agent of Bioclean Restoration, Inc.

Date: _____

AG Building Kitchen Remodel

Bid Summary

126 Court Square

Yanceyville, NC 27379

Company	Bid
Southern Restorations, LLC (not a turn-key job, just cabinets)	\$32,340.00
Southern Exposure USA, Inc.	\$39,458.00
Quality Construction	\$49,500.00
BioClean	\$38,742.56



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Resolution and agreement with JEB International for Economic Development incentives

BACKGROUND INFORMATION:

JEB International has announced plans to relocate its business to Caswell County in the Pelham Industrial Park. In making the decisions to relocate, the company relied on the promise of local economic development incentives, as asserted in the attached affidavit from the company's owner. The county adopted an incentives policy for economic development in 2018, which is attached.

Cherokee has provided the following information on the project in relation to the policy, which has been scored according to the incentives policy.

- The project will create 39 jobs (24 points)
- The company will pay an average wage of \$65,154, which is greater than the county average of \$45,278, but less than the state average of \$67,474 (12 points)
- The company will pay the full cost of health insurance for full-time employees and provides paid vacation (7 points)
- The projected investment is \$14,250,000 (27 points)
- The company is relocating its headquarters to Caswell County (7 points)

The project scores 77, which qualifies it for Level 4 incentives. The estimated cash incentives are as follows:

	Estimated Taxes Paid	Level 4 Percentage	Estimated Cash Incentive
Year 1	83,362.50	90%	75,026.25
Year 2	83,362.50	80%	66,690.00
Year 3	83,362.50	70%	58,353.75
Year 4	83,362.50	60%	50,017.50
Year 5	83,362.50	50%	41,681.25
Total	416,812.50		291,768.75

Before the cash incentives are paid, the company has to first pay its property taxes and verify the information used to score the project. If the project investment and number of jobs are not reached, along with the other items scored, the project would not receive the incentives.

In accordance with North Carolina law, a local government must hold a public hearing on proposed incentives before approving them. The public hearing was held on April 21, 2025, after being duly advertised. No one spoke during the public hearing.

North Carolina law also requires that the local government execute an agreement with the company for payment of incentives. The County Attorney has prepared the attached draft agreement, which has been sent to the company's attorney. Changes to the agreement are anticipated and a hard copy of the final agreement will be shared Monday night.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Approve the Resolution Approving Economic Development Incentives for JEB International

FISCAL IMPACT:

Over the five-year period of incentives, the estimated cash incentive totals \$291,768.75. However, over the same time period, it is estimated that the project will generate approximately \$125,043.75 in additional tax revenue above the amount of the cash incentives to be paid out.

ATTACHMENTS:

Draft Economic Development Incentives Agreement
Resolution

Affidavit from Cherokee Tobacco

Letter from Interim County Manager regarding incentives

FOR DRAFT PURPOSES ONLY

NORTH CAROLINA) AGREEMENT FOR THE USE OF CASWELL COUNTY
CASWELL COUNTY) ECONOMIC DEVELOPMENT INCENTIVE GRANT FUNDS

THIS AGREEMENT is made and entered into as of the _____ day of April 2025, by and between Caswell County, North Carolina (the "County"), and JEB International Manufacturing Co. (also known as Cherokee Tobacco Company), hereafter referred to as the "Grantee" (the County and the Grantee are together referred to as the "Parties") as an economic development project to aid and encourage the Grantee with the location of a manufacturing facility of cigarettes, machine made cigars and pipe tobacco, in Caswell County pursuant to the provisions of N.C.G.S. 158-7.1 and subject to the restrictions and conditions set forth herein.

RECITALS:

A. The County is vitally interested in the economic welfare of its citizens and the creation, retention, and maintenance of jobs for its citizens in strategically important industries and therefore wishes to provide the necessary conditions to stimulate investment in the local economy, promote business, create, retain and maintain jobs, increase the property tax base and revenues therefrom, and increase business prospects of the County, which will be made possible pursuant to this Project.

B. The Grantee proposes to locate its manufacturing facility to the County, which includes the creation, and maintenance of full-time or full-time equivalent jobs in the County, and capital investments in building and business personal property in Caswell County by Grantee.

C. The County recognizes that the Project will bring direct and indirect benefits to the County, and conducted a public hearing on April 21, 2025, and adopted a Resolution on April _____, 2025, to authorize offering economic development incentives to Grantee to induce the Grantee to execute the Project in the County pursuant to the provisions of N.C.G.S. 158-7.1.

D. The County hereby acknowledges that the terms of this Agreement constitute a material inducement to the Grantee to locate a manufacturing facility in the County, which includes the creation and maintenance of jobs, and making taxable capital investments in the County. Similarly, the Grantee hereby acknowledges that its decision to execute the Project in the County resulted from the inducement by the County of the Incentives outlined in this Agreement. The Grantee further acknowledges that execution of the Project would not be completed without the economic development assistance of the County.

W I T N E S S E T H:

Now, therefore, in consideration of receipt of Incentives from Caswell County for executing the Project, as set forth herein, the County and the Grantee do hereby agree as follows:

I. Description of Project and Assistance:

1. The Project. The Project is defined as

(a) The location by Grantee of its company headquarters and a manufacturing facility that manufactures cigarettes, machine made cigars and pipe tobacco from an existing facility in South Boston, Virginia, Halifax County, ("Facility") with a capital investment by Grantee of at least \$14,500,000 including \$ 4,100,000 in Real Property and \$ 10,400,000 in business personal property (collectively the requirements in this subsection are hereinafter referred to as the "Capital Investment Condition"); and

(b) The creation of at least 39 new full-time or full-time equivalent ("FTE") jobs, with an average wage of \$65,154 per year, plus employer-paid health insurance and paid vacation ("New Qualified Jobs") within a two-year period in the Facility, and the maintenance of all jobs for a five-year period (collectively the requirements in this subsection are hereinafter referred to as the "Jobs Condition").

2. Maximum Payment. The maximum total payment which Grantee may receive from the County shall not exceed \$291,768.75, if all conditions outlined in this agreement are met, as calculated pursuant to the Section I.4, which shall be paid over an Incentive Period of five years.

3. Qualified Jobs. Total New Qualified Jobs is the number of new jobs with benefits created by Grantee at the Facility, whose average annual compensation is at least \$65,154 per year. If the average annual rate of compensation for new jobs is less than \$65,154, then the lowest paying jobs will be subtracted from the Total New Qualified Jobs until the average compensation is at least \$65,154. If the number of retained jobs is less than the Retained Qualified Jobs, then the shortfall in retained jobs shall be deducted from the Total New Qualified Jobs and the incentive level will be adjusted in accordance with the Caswell County Incentives Policy.

4. Calculation of Incentive Payment. Provided that Grantee satisfies all conditions of this Agreement, County shall pay Grantee an Annual Total Incentive Payment for up to five years, calculated as follows:

Year 1: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 90% . This amount will be granted to the company.

Year 2: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 80%. This amount will be granted to the company.

Year 3: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 70%. This amount will be granted to the company.

Year 4: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 60%. This amount will be granted to the company.

Year 5: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 50%. This amount will be granted to the company.

Calculation of Reduced Incentives

Should the Company fail to meet its minimum job commitments in any year, the County's payment for that year shall be reduced in an amount that is pro-rata for the Company's job shortfall relative to its minimum obligations to meet the job commitment for that year.

For example, if the Company has only 30 jobs at the end of calendar year 2026, the payment in calendar year 2027 (for calendar year 2027) shall be reduced in accordance with the value that is the pro rata of 30/39, or 77%. Thus, the payment for the relevant period that is only 77% of the amount of the payment for which it is otherwise eligible."

5. Incentive Payment Schedule. The Incentive Period of five years shall begin, and the County shall commence Incentive Payments, in the County fiscal year following the payment of annual property taxes by the Grantee on the capital investments related to the Project, provided that the Grantee provides documentation to the County of twelve months of qualifying capital investments and job creation, retention, and maintenance under the Project, and after the Grantee's request to commence payment of incentives under this Agreement. If the Grantee fails to qualify for any incentives within five years of the date of this Agreement, the Agreement shall terminate. Once incentive payments have commenced, the County shall pay the incentives each year thereafter within thirty days of receipt of a written request from Grantee for payment, together with sufficient supporting documentation of Qualifying Job creation, wage level and quality of jobs, and maintenance and capital investments, and any other documentation reasonably required by the County in support of the request for Annual Total Incentive Payment. Notwithstanding anything to the contrary herein, the Grantee shall not receive Incentive Payments for any period later than the fiscal year ending June 30, 2033, and Company shall not receive Incentive Payments for any fiscal year if the Grantee's request is submitted later than 6 months following the end of that fiscal year. The purchase price of the real estate may not count towards the investment value. The increase in value of the Project will be based on current value before the project and the final value after improvements and equipment purchases.

II. Reporting and Information Disclosure Requirements:

1. Payment of Incentives will be made only upon written request of the Grantee and submission to the County of appropriate documentation of Capital

Investments and Job Creation and Maintenance as outlined herein and reasonably acceptable to the County.

2. The Grantee agrees that it will supply to the County an annual report containing non-confidential records, information and verification relating to Grantee's compliance with Capital Investment and Job Conditions outlined in this Agreement, in support of the written request by the Grantee for annual Incentives which confirm that the levels of Capital Investment and Job Creation, Retention, and Maintenance as outlined herein have been achieved. The Grantee agrees that, upon reasonable notice, the County shall have access to such non-confidential records of the Grantee and the Facility during normal business hours for the purposes of verifying Grantee's satisfaction of its obligations under this Agreement; and the Grantee agrees to submit such reports as the County shall reasonably request pertaining to Grantee's satisfaction of the obligations set forth in this Agreement. Job Creation, Retention, and Maintenance records to be provided to the County by Grantee shall include the monthly employment totals of Qualified Jobs.

3. Grantee shall provide such additional non-confidential information reasonably requested by the County for the purposes of verifying Grantee's satisfaction of its obligations under this Agreement within thirty (30) days of the written request by the County. Failure by Grantee to provide the information requested within thirty (30) days shall constitute an Event of Default of this Agreement, and the County may exercise the remedies outlined in Section II.5 of this Agreement.

4. Grantee shall notify the County immediately if it is appealing any County property tax valuation, or if it is claiming any exemption, during the Incentive Period. No incentive payment will be made by the County for the year of the property tax appeal or claim for exemption and any subsequent year until the matter is finally adjudicated. Upon final adjudication of the appeal or claim, the Grantee shall notify the County, and the County shall make the incentive payment based upon the final adjudicated valuation.

5. Default, Cure Right, and Remedies.

(a) The failure of Grantee to comply with any material terms and conditions of this Agreement will constitute an event of default ("Event of Default").

(b) The County will provide the Grantee with written notice of an Event of Default. Such notice will describe the facts and circumstances associated with such Event of Default. Thereafter, the Grantee will have up to thirty (30) days to cure such Event of Default to the reasonable satisfaction of the County.

(c) Subject to the cure rights described in Section II.5(b) of this Agreement, upon an Event of Default, the County may, in its discretion, exercise one or more of the following remedies:

(i) Suspend or terminate the payment of the Incentives;

(ii) Require the repayment by the Grantee of all Incentives paid to Grantee prior to the occurrence of an Event of Default; and

(iii) Terminate this Agreement.

(d) If the County exercises its remedy to require repayment of all Incentives pursuant to Section II.5(c) of this Agreement, due to an Event of Default by the Grantee, the Grantee agrees to promptly remit to the County any payments of Incentives previously received by the Grantee which have been paid or received by the Grantee in violation of the provisions of this Agreement.

(e) Except as otherwise provided herein, failure to fully achieve the Job Condition or the Capital Investment Condition shall not constitute an Event of Default, but shall be subject to reduced Incentives as provided in Section I.4 of this Agreement.

6. Grantee shall not be entitled to any annual economic development assistance if it is in arrears in the payment of its annual property taxes or other financial obligations to the County.

III. Public Records and Confidential Information. All non-confidential information and documents provided by the Grantee to the County shall be treated as a public record under N.C.G.S. 132-1 et. seq. All information or documents provided by the Grantee to the County and marked as "confidential" or with a similar designation under N.C.G.S. 132-1.2 will be treated by the County as confidential and will not be disclosed to any person without the prior written consent of the Grantee, if it meets the criteria outlined in N.C.G.S. 132-1.2 (1)(a-d).

IV. Other Provisions:

(1) Amendment. This Agreement may not be amended or modified except with the prior written consent of all parties.

(2) Applicable Law; Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to any application of conflicts or choice of law principles.

(3) Assignment. This Agreement and the right to receive Incentives hereunder are non assignable without the written consent of the County.

(4) Continue Operation in County. Grantee must continue to operate its Facility in Caswell County during the term of this Agreement in order to be eligible to receive Incentive payments thereon.

(5) Reimbursement and Refund (Recapture Provisions). If the Grantee ceases operations at the Facility or otherwise ceases to use the site for the purposes contemplated herein, in either case within the five (5) year Incentive Period for any reason other than nonperformance by the County of its covenants under this Agreement, then, at the County's request, the Grantee will refund to the County, a percentage of the Annual Total Incentive Payments previously paid to the Grantee, in each case depending on the year in which the Grantee ceases operations at the Facility as determined in the following table:

(Table: Year in which operations are ceased)

Year	Reimbursement Percentage
1	100%
2	90%
3	80%
4	70%
5	60%

(6) Audit Right. The County reserves the right to require an audit by an independent certified public accountant, or may perform the audit through the use of its County staff, solely for the limited purpose of confirming the Grantee's compliance with the Capital Investment and Jobs Conditions described in Section I of this Agreement. If the County elects to undertake an audit, it shall provide the Grantee with at least thirty (30) days prior written notice and such audit will be at the County's sole expense. The Grantee will provide the County and its auditors with reasonable access to such records and the premises of the Grantee as may be necessary to conduct such audit, subject to the execution of appropriate written assurances in favor of the Grantee with respect to the preservation of the confidential information of the Grantee and third parties that is made available in the course of such audit. The County will be entitled to retain documentation from the said audit for as long as it deems necessary, and to use the audit solely for the limited purposes described above.

(7) Binding Obligation. The Parties and their respective successors, assigns, and legal representatives accept full legal responsibility hereunder for compliance with all covenants, agreements and obligations of this Agreement and with respect to all funds received hereunder from the County by the Grantee.

(8) Compliance with Law.

(a) Grantee and its subcontractors shall comply with Article 2 of Chapter 64 of the North Carolina General Statutes relating to the required use of the federal E-Verify program to verify the work authorization of newly hired employees. Failure of the Grantee to comply with this provision or failure of its subcontractors to comply could render this contract void under North Carolina law.

(b) Provider hereby certifies that it is not on the North Carolina State Treasurer's lists of persons engaging in business activities in Sudan (Darfur), Iran, or boycotting Israel, prepared pursuant to NCGS §§ 147-86.43, 147-86.58, and 147-86.81, nor will Provider utilize for this Agreement any subcontractor on such lists.

(c) The Grantee and the County shall comply with all applicable federal, state, and local laws that may be required to carry out their respective obligations to be performed under this Agreement.

(d) The Grantee shall comply with all applicable employment laws, including but not limited to the Americans with Disabilities Act (ADA), the State of North Carolina Occupational/Safety and Health Act (OSHA), and the State and Federal Equal Opportunity laws, as well as the applicable regulations promulgated thereunder.

(9) Counterparts; Jurisdiction. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original. The Parties submit to the exclusive jurisdiction of the North Carolina State courts sitting in Forsyth County with respect to any dispute arising under this Agreement.

(10) Entire Agreement; Authority. This Agreement is the entire agreement between these Parties as to the subject matter referenced herein, without regard to any prior agreements, understandings or undertakings, whether oral, written, electronic, or otherwise. The Parties, and each person executing this Agreement on behalf thereof, represent and warrant that they have the full right and authority to enter into this Agreement, to sign on behalf of the party indicated, and are acting on behalf of themselves, their constituent members and the successors and assigns of each of them, in each case in their official capacities.

(11) Exhibits. The attached Exhibits, as described below, are incorporated herein by reference.

Exhibit A: Capital Investment Schedule, Job Creation, Retention, and
Maintenance Schedule, and Maximum Job Incentive
Exhibit B: Estimated Cash Incentive Schedule

(12) Further Action. The Parties acknowledge that further actions are not legally necessary under North Carolina law to implement the terms of this Agreement in a lawful manner. The Parties agree that if this Agreement is challenged by a third party in a court of law, they shall cooperate with the County in defense of the Agreement. 9

(13) Hiring Practices. The Grantee will use reasonable efforts to hire, where practicable, qualified local contractors, including minority and women contractors, and for employment purposes local residents from the Caswell County area.

(14) Hold Harmless. The Grantee agrees to hold the County harmless from liability for any expenses which may be claimed against the County due to any acts or omissions by the Grantee or its employees or agents related to the administration of the Project.

(15) Notice. Notices shall be given in writing, and shall be deemed received (a) when personally delivered; (b) three business days after being deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, or (c) one business day after being deposited with an overnight commercial courier (such as, but not limited to, Federal Express), at the following addresses:

For notice to the COUNTY:

Caswell County Manager
Caswell County Government Center
144 Court Square
Yanceyville, NC 27379

WITH COPY TO:
Caswell County Attorney
144 Court Square
Yanceyville, NC 27379

For notice to COMPANY:
JEB International Manufacturing Co.
1057 Bill Tuck Highway
South Boston, VA 24592

(16) Relationship of Entities. Nothing contained herein will be construed as establishing an employment relationship, partnership, joint venture, or agency agreement among the Parties.

(17) Severability. In the event that a court of competent jurisdiction holds that a provision or requirement of this Agreement violates any applicable law, each such provision or requirement shall be replaced with a revision which accomplishes the purposes outlined herein and shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable 10 and all other provisions and requirements of this Agreement, not contingent thereon, shall remain in full force and effect.

(18) Statutory Authority. N.C.G.S. 158-7.1 authorizes the execution of this Agreement by the Parties upon approval of the Board of County Commissioners following a public hearing.

(19) Termination. Termination of this Agreement by the County may occur for reasons described herein. This Agreement shall also terminate at the end of the five-year Incentive Period and upon payment by the County of all Incentives due, if any. Any terms and provisions which by their nature must be honored or fulfilled after termination will survive termination and be binding upon the County and Grantee until completely satisfied.

(20) Waiver of Default. Failure on the part of the County to exercise any right, remedy, power or privilege hereunder shall not operate as a waiver of any current or future default. Further, a waiver of one provision of this Agreement is not a waiver of all or future provisions of this Agreement.

IN WITNESS WHEREOF, the Grantee has caused this Agreement to be duly executed as of the date first above written.

ATTEST:

COMPANY

Secretary

By: _____

Job Title: _____

(SEAL)

IN WITNESS WHEREOF, the County has caused this Agreement to be duly executed as of the date first above written.

ATTEST:

CASWELL COUNTY

Clerk to the Board

By: _____
Tim Yarbrough, Chair, Caswell County
Board of Commissioners

(SEAL)

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute §159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

, Finance Officer

APPROVED AS TO FORM:

_____, County Attorney

Exhibit A

Capital Investment Schedule

Private Investment

Direct Investment to be made by the proposed Grantee

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025	\$100,000			\$ 100,000
2026		\$4,000,000	\$7,750,000	\$11,750,000
2027			\$2,400,000	\$ 2,400,000
Total	\$100,000	\$4,000,000	\$10,150,000	\$14,250,000

Direct Investment To Be Made by the Related Member(s)

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025				
2026			\$250,000	\$250,000
2027				
Total				\$250,000

Total Direct Investment (the Proposed Grantee and the Related Member(s) combined)

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025	\$100,000			\$ 100,000
2026		\$4,000,000	\$8,000,000	\$12,000,000
2027			\$2,400,000	\$ 2,400,000
Total	\$100,000	\$4,000,000	\$10,400,000	\$14,500,000

Exhibit B

Estimated Cash Incentive Schedule

	Estimated Taxes Paid	Level 4 Percentage	Estimated Cash Incentive
Year 1	\$83,362.50	90%	\$75,026.25
Year 2	\$83,326.50	80%	\$66,690
Year 3	\$83,362.50	70%	\$58,353.75
Year 4	\$83,362.50	60%	\$50,017.50
Year 5	\$83,362.50	50%	\$41,681.25
Total	\$416,812.50		\$291,768.75

Caswell County Board of Commissioners
Resolution Authorizing Incentives Contract with JEB International Tobacco
Company, Inc. and Cherokee Tobacco Company

WHEREAS, North Carolina General Statute 158-7.1 authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the county; and

WHEREAS, the Board of Commissioners of Caswell County has held a public hearing to consider whether to participate in an economic development project with JEB International Tobacco Company, Inc. (also known as Cherokee Tobacco Company), hereafter referred to as “Company” by reimbursing Company, for economic development activities at the facility to be constructed at Pelham Industrial Park. Company will construct a facility for the manufacturing of cigarettes, machine made cigars and pipe tobacco, making an investment of at least \$14,500,000 and creating 39 new full-time jobs in Caswell County, paying an average annual wage at the facility in excess of the State’s average; and this determination of the annual wage at the facility is based upon materials provided to the County by Company [based upon data submitted to the State of North Carolina, and materials provided at that time to the County by Company]; and

WHEREAS, this economic development project will stimulate, diversify, and stabilize the local economy, promote business in the County, and result in the creation of a substantial number of jobs in the County that pay at or above the average annual wage in in the County (the average wage in Caswell County is \$45,278 as determined by the North Carolina Department of Commerce); and

WHEREAS, Caswell County wants the Company to relocate to Caswell County from its present location at 1057 Bill Tuck Highway, South Boston, Virginia 24592.

WHEREAS, Company would have located its operations outside the State of North Carolina, but for the County’s participation (see attached affidavit); and

WHEREAS, In a letter dated October 24, 2023 (see attached), the Interim County Manager offered Company property tax incentives to relocate their existing manufacturing facility to Pelham Industrial Park;

WHEREAS, Company ultimately relied on the above-mentioned letter and property tax incentives from the Interim County Manager in considering to relocate to Caswell County;

WHEREAS, County will fund these payments with available revenues in its General Fund and these payments will be less than the property tax revenue paid by the company;

THE BOARD OF COMMISSIONERS OF CASWELL COUNTY THEREFORE RESOLVES THAT:

1. The County is authorized to expend up to \$291,768.75 of county funds for the Company's project.
2. As consideration for the County's participation, Company has contractually agreed to construct on the property a manufacturing facility of cigarettes, machine made cigars and pipe tobacco, and this facility will generate property tax revenues over the next 10 years in an amount that exceeds the County expenditure.
3. A copy of the contract, entered into pursuant to subsection (h) of G.S. 158-7.1, is attached to this resolution. The contract outlines the terms of the County's participation and contains recapture provisions in the event that the Company fails to perform its obligations.
4. The Board approves these incentives in an open meeting to attract businesses to Caswell County.
5. The attached contract between the County and Company is approved.
6. The Chairman of the Board of Commissioners is authorized to execute the contract and any other documents necessary to the project on behalf of the County and to participate in an economic development incentives agreement with the Company as further described herein, subject to a pre-audit certificate thereon by County Finance Director, if applicable and approval as to form and legality by the County Attorney.

This the _____ day of _____, 2025.

Caswell County

BY: _____ (SEAL)
Tim Yarbrough, Chair, Caswell County
Board of Commissioners

AFFIDAVIT

WITNESSETH:

WHEREAS, the Declarant, Jay Barker, is the owner of JEB International Manufacturing Co. and Cherokee Tobacco Company (hereinafter referred to as "JEB") which is currently located at 1057 Bill Tuck Highway, South Boston, VA 24592;

WHEREAS, JEB explored options of relocating their business from Virginia to North Carolina;

WHEREAS, JEB researched economic development incentives that might be available for companies wishing to relocate to North Carolina;

WHEREAS, Caswell County, North Carolina has adopted an economic development incentives policy;

WHEREAS, JEB discussed economic development incentives with officials from Caswell County, North Carolina;

WHEREAS, JEB was guaranteed cash grants to relocate from Virginia to Caswell County, North Carolina including a cash grant schedule over a five-year period;

WHEREAS, this guaranteed offer was extended to JEB in the form of a letter dated October 24, 2023 and prepared by then Interim Caswell County Manager, Tony Smith;

WHEREAS, the cash grant schedule outlines that Caswell County agrees to reimburse JEB pursuant to a cash grant schedule described as follows:

Year One - \$66,150
Year Two - \$58,800
Year Three - \$55,425
Year Four - \$51,450
Year Five - \$44,100
TOTAL - \$275,625

WHEREAS, JEB deems the above cash grants necessary to relocate from Virginia to the Pelham Industrial Park in Caswell County, North Carolina;

WHEREAS, JEB is relying on these cash grants in their decision to move from Virginia to Caswell County, North Carolina ;

WHEREAS, JEB will absolutely not move to Caswell County, North Carolina without these cash grants;

NOW, THEREFORE BE IT ALSO RESOLVED, the Declarant hereby gives written notice that JEB will not relocate to the Pelham Industrial Park in Caswell County, North Carolina unless they receive the above listed cash grants;

IN TESTIMONY WHEREOF, the Declarant sets its hand and seal the day and year first set out above.

This the 24 day of February, 2025.

JEB International Manufacturing Co.
Cherokee Tobacco Company

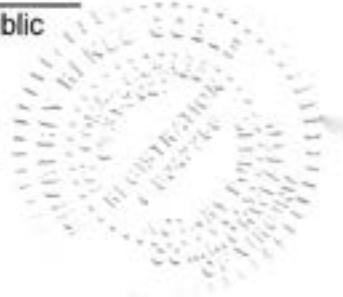
BY:  (SEAL)
Jay E. Barker, Owner

STATE OF Virginia, COUNTY OF Pittsylvania
I, a Notary Public of the State and County aforesaid, certify that **Jay E. Barker**, personally appeared before me this day and he acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 24 day of February, 2025.

My commission expires: 3/27/2027


Notary Public

Kim Goble
Typed/Printed name of notary public





Office of Administration

Caswell County
144 Court Square
Yanceyville, NC 27379

(336) 694-4193 FAX (336) 694-1228

CASWELL COUNTY

JEB International Manufacturing Co.
1057 Bill Tuck Highway
South Boston, VA 24592
Attn: Jay Barker

October 24, 2023

Dear Mr. Barker,

Caswell County is pleased to offer JEB international property tax incentives to relocate your existing manufacturing facility to our Pelham Industrial Park.

In June of 2018, our Economic Development team implemented a tax refund agreement which returned dollars to firms such as yours to encourage investment in our County. The agreement bases incentive amounts on the following criteria: number of jobs created, capital investment, and business characteristics.

Bases on the data submitted to the state of North Carolina in August of this year, JEB International will create fifty new jobs with a wage in excess of the States average. Additionally, your capital investment is estimated at ten million dollars including property, structures, and equipment.

In summary, Caswell County agrees to reimburse JEB International over a five-year period as per the following schedule:

- Year One = \$66,150
- Year Two = \$58,800
- Year Three = \$55,425
- Year Four = \$51,450
- Year Five = \$44,100
- Total = \$275,625

Annual reimbursements will be paid the year following receipt of JEB International's annual tax levy payment to Caswell County.

Once again, we are excited to partner with JEB International to meet the needs and common goals of both parties.

Best Regards, 
Tony Smith, Interim County Manager

Category	Maximum Number of Points
Jobs	51
Capital Investment	27
Business Characteristics	22
TOTAL POINTS 100	

Number of Points Needed for Incentive Level

Total Points	Incentive Level
40-49	1
50-59	2
60-69	3
70-79	4
80 & Above	5

Incentive Award as a Percentage of Property Tax (Only Improvements Eligible)

Year	Level 1	Level 2	Level 3	Level 4	Level 5
1	70%	75%	80%	90%	90%
2	60%	65%	70%	80%	80%
3	50%	55%	60%	70%	75%
4	40%	45%	50%	60%	70%
5	30%	35%	40%	50%	60%

JOBS		POINTS
Number of Jobs Created	1-9	18
	10-19	20
	20-29	22
	35 & above	24
	Maximum Points 24	
Wage Level of New Jobs	100% of County Average or Greater	10
	Greater than County Average but less than State Average	12
	State Average or Greater	16
	Maximum Points 16	
Quality of New Jobs	Total Employer Paid Health Insurance	5
	Partial Employer Paid Health Insurance	3
	Retirement Benefits	2
	Paid Vacation	2
	Educational Benefits	2
	Maximum Points 11	
CAPITAL INVESTMENT		POINTS
Amount of Capital Investment	under \$100,000	17
	\$100,001-\$250,000	21
	\$250,001-\$500,000	23
	Above \$500,000	27
	Maximum Points 27	
BUSINESS CHARACTERISTICS		POINTS
Company Headquarters Located in County		7
Minority/Woman/Veteran/Disabled Owned Business		5
Building Reuse		5
Existing Business		5

Caswell County Economic Development Incentive Policy

The Caswell County Economic Development Incentive Policy provides a framework for evaluating economic development projects including, but not limited to, establishment of new businesses in the County and expansions of existing businesses. By utilizing a point system to grade each development project, the number of points that a project scores shall be used to determine the value of the financial incentive grant that the County may award to that specific project.

The monetary value of each financial incentive grant shall be directly determined by the amount of investment by the company, jobs created, wage levels, and business characteristics. All companies need to be considering other business locations outside of the state of North Carolina as a part of their search process. The grant is determined by the projects score, as detailed below. Grant awards are only made after the company has paid its annual County (and county if applicable) property tax and utility bills or other fees owed the County.

Under this incentive policy, companies may qualify for, but are not guaranteed, a financial incentive grant. The County reserves complete discretion in determining which eligible projects warrant a financial incentive grant. The County will use criteria outlined in this document and other policy documents to accept, reject or modify the grant amount.

This policy only addresses one form of incentive that the County may offer: financial grant awards determined by property tax amounts. The County may, at its discretion, offer other kinds of incentives to companies in addition to, or instead of, this type of financial incentive. The total value of incentives, cash and otherwise, will not exceed the amounts in this policy unless approved by the County.

Payment Process: For purposes of any incentive grant, the all eligibility factors shall be assessed by Caswell County on January 1 following the first full year of project completion. Financial incentive grants will be paid in agreed upon annual installments. The first of the annual installments will be paid 30 days after the tax payment for the then-current year has been received by Caswell County (if located within the County) and after the entity notifies the County of and establishes its compliance with all of the terms and conditions of such incentive grant. Notwithstanding the foregoing, any annual grant installment may be delayed or withheld if the grant recipient is delinquent in the payment to the County of any taxes, utility bills, or other fees owed the County.



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Approval of resolution and agreement for economic development incentives with Revision Solar, LLC

BACKGROUND INFORMATION:

Revision Solar, LLC currently operates in Caswell County on a family farm. The company employees 18 people and maintains solar farms from Pennsylvania to Georgia. The company is requesting economic development incentives. The county adopted an incentives policy for economic development in 2018.

Company B has provided the following information on the project in relation to the policy, which has been scored according to the incentives policy.

- The project will create 5 additional jobs (18 points)
- The company will pay an average wage equal to or greater than the county average of \$45,278 (10 points)
- The company provides paid vacation (2 points)
- The projected investment is between \$250,001 and \$500,000 (23 points)
- The company's headquarters is located in Caswell County Caswell County (7 points)
- The company is an existing Caswell County business (5 points)

The project scores 65, which qualifies it for Level 3 incentives. The estimated cash incentives are as follows (calculated at the minimum and maximum investment):

\$250,001 Investment

	Estimated Taxes	Level 3 Percentage	Estimated Cash Incentive	Estimated Net Taxes to County
Year 1	1,462.51	80%	1,170.00	292.50
Year 2	1,462.51	70%	1,023.75	438.75
Year 3	1,462.51	60%	877.50	585.00
Year 4	1,462.51	50%	731.25	731.25
Year 5	1,462.51	40%	585.00	877.50
Total	7,312.53		4,387.52	2,925.01

\$500,000 Investment

	Estimated Taxes	Level 3 Percentage	Estimated Cash Incentive	Estimated Net Taxes to County
Year 1	2,925.00	80%	2,340.00	585.00
Year 2	2,925.00	70%	2,047.50	877.50
Year 3	2,925.00	60%	1,755.00	1,170.00
Year 4	2,925.00	50%	1,462.50	1,462.50
Year 5	2,925.00	40%	1,170.00	1,755.00
Total	14,625.00		8,775.00	5,850.00

Before the cash incentives are paid, the company has to first pay its property taxes and verify the information used to score the project. If the project investment and number of jobs are not reached, along with the other items scored, the project would not receive the incentives.

In accordance with North Carolina law, a local government must hold a public hearing on proposed incentives before approving them. The public hearing was held on April 21, 2025, after being duly advertised. No one spoke during the public hearing.

North Carolina law also requires that the local government execute an agreement with the company for payment of incentives. The company has signed the attached agreement.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Approve the resolution approving economic development incentives for Revision Solar
Approve the Agreement with Revision Solar for economic development incentives

FISCAL IMPACT:

Over the five-year period of incentives, (assuming the higher level of investment) the estimated cash incentive totals \$8,775. However, over the same time period, it is estimated that the project will generate approximately \$5,850 in additional tax revenue above the amount of the cash incentives to be paid out.

ATTACHMENTS:

Economic Development Incentives Agreement
Resolution—will be passed out at the meeting

NORTH CAROLINA)
CASWELL COUNTY) **AGREEMENT FOR THE USE OF CASWELL COUNTY
ECONOMIC DEVELOPMENT INCENTIVE GRANT FUNDS**

THIS AGREEMENT is made and entered into as of the _____ day of _____ 2025, by and between Caswell County, North Carolina (the "County"), and Revision Solar, LLC, hereafter referred to as the "Grantee" (the County and the Grantee are together referred to as the "Parties") as an economic development project to aid and encourage the Grantee with the location and expansion of a solar farm landscaping business lay down yard, functional shop and storage units, in Caswell County pursuant to the provisions of N.C.G.S. 158-7.1 and subject to the restrictions and conditions set forth herein.

RECITALS:

A. The County is vitally interested in the economic welfare of its citizens and the creation, retention, and maintenance of jobs for its citizens in strategically important industries and therefore wishes to provide the necessary conditions to stimulate investment in the local economy, promote business, create, retain and maintain jobs, increase the property tax base and revenues therefrom, and increase business prospects of the County, which will be made possible pursuant to this Project.

B. The Grantee proposes to relocate its business facility to a new location within the County, which includes the creation, and maintenance of full-time or full-time equivalent jobs in the County, and capital investments in building and business personal property in Caswell County by Grantee.

C. The County recognizes that the Project will bring direct and indirect benefits to the County, and conducted a public hearing on April 21, 2025, and adopted a Resolution on May _____, 2025, to authorize offering economic development incentives to Grantee to induce the Grantee to execute the Project in the County pursuant to the provisions of N.C.G.S. 158-7.1.

D. The County hereby acknowledges that the terms of this Agreement constitute a material inducement to the Grantee to locate a business facility in the County, which includes the creation and maintenance of jobs, and making taxable capital investments in the County. Similarly, the Grantee hereby acknowledges that its decision to execute the Project in the County resulted from the inducement by the County of the Incentives outlined in this Agreement. The Grantee further acknowledges that execution of the Project would not be completed without the economic development assistance of the County.

WITNESSETH:

Now, therefore, in consideration of receipt of Incentives from Caswell County for executing the Project, as set forth herein, the County and the Grantee do hereby agree as follows:

I. Description of Project and Assistance:

1. The Project. The Project is defined as

(a) The location and expansion by Grantee of its company headquarters and solar farm landscaping business lay down yard, functional shop and storage units from an existing facility located at 4810 Old Hwy 86 N., Yanceyville, NC 27379, ("Facility") with a capital investment by Grantee of at least \$251,000 including \$ 100,000 in Real Property and \$ 151,000 in business personal property (collectively the requirements in this subsection are hereinafter referred to as the "Capital Investment Condition"); and

(b) The creation of at least 5 new full-time or full-time equivalent ("FTE") jobs, with an average wage of per year, plus paid vacation ("New Qualified Jobs") within a two-year period in the Facility, and the maintenance of all jobs for a five-year period (collectively the requirements in this subsection are hereinafter referred to as the "Jobs Condition").

2. Maximum Payment. The maximum total payment which Grantee may receive from the County shall not exceed \$ 8,775.00, if all conditions outlined in this agreement are met, as calculated pursuant to the Section I.4, which shall be paid over an Incentive Period of five years.

3. Qualified Jobs. Total New Qualified Jobs is the number of new jobs with benefits created by Grantee at the Facility, whose average annual compensation is at least \$per year. If the average annual rate of compensation for new jobs is less than 8, then the lowest paying jobs will be subtracted from the Total New Qualified Jobs until the average compensation is at least . If the number of retained jobs is less than the Retained Qualified Jobs, then the shortfall in retained jobs shall be deducted from the Total New Qualified Jobs and the incentive level will be adjusted in accordance with the Caswell County Incentives Policy.

4. Calculation of Incentive Payment. Provided that Grantee satisfies all conditions of this Agreement, County shall pay Grantee an Annual Total Incentive Payment for up to five years, calculated as follows:

Year 1: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 0% . This amount will be granted to the company.

Year 2: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 0%. This amount will be granted to the company.

Year 3: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 0%. This amount will be granted to the company.

Year 4: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 0%. This amount will be granted to the company.

Year 5: The actual taxes paid to the county (not including the fire district tax rate) will be multiplied by 0%. This amount will be granted to the company.

Calculation of Reduced Incentives

Should the Company fail to meet its minimum job commitments in any year, the County's payment for that year shall be reduced in an amount that is pro-rata for the Company's job shortfall relative to its minimum obligations to meet the job commitment for that year.

For example, if the Company has only 4 jobs at the end of calendar year 2026, the payment in calendar year 2027 (for calendar year 2027) shall be reduced in accordance with the value that is the pro rata of 4/5, or 80%. Thus, the payment for the relevant period that is only 80% of the amount of the payment for which it is otherwise eligible."

5. Incentive Payment Schedule. The Incentive Period of five years shall begin, and the County shall commence Incentive Payments, in the County fiscal year following the payment of annual property taxes by the Grantee on the capital investments related to the Project, provided that the Grantee provides documentation to the County of twelve months of qualifying capital investments and job creation, retention, and maintenance under the Project, and after the Grantee's request to commence payment of incentives under this Agreement. If the Grantee fails to qualify for any incentives within five years of the date of this Agreement, the Agreement shall terminate. Once incentive payments have commenced, the County shall pay the incentives each year thereafter within thirty days of receipt of a written request from Grantee for payment, together with sufficient supporting documentation of Qualifying Job creation, wage level and quality of jobs, and maintenance and capital investments, and any other documentation reasonably required by the County in support of the request for Annual Total Incentive Payment. Notwithstanding anything to the contrary herein, the Grantee shall not receive Incentive Payments for any period later than the fiscal year ending June 30, 2033, and Company shall not receive Incentive Payments for any fiscal year if the Grantee's request is submitted later than 6 months following the end of that fiscal year. The purchase price of the real estate may not count towards the investment value. The increase in value of the Project will be based on current value before the project and the final value after improvements and equipment purchases.

II. Reporting and Information Disclosure Requirements:

1. Payment of Incentives will be made only upon written request of the Grantee and submission to the County of appropriate documentation of Capital Investments and Job Creation and Maintenance as outlined herein and reasonably acceptable to the County.

2. The Grantee agrees that it will supply to the County an annual report containing non-confidential records, information and verification relating to Grantee's compliance with Capital Investment and Job Conditions outlined in this Agreement, in support of the written request by the Grantee for annual Incentives which confirm that the levels of Capital Investment and Job Creation, Retention, and Maintenance as outlined herein have been achieved. The Grantee agrees that, upon reasonable notice, the County shall have access to such non-confidential records of the Grantee and the Facility during normal business hours for the purposes of verifying Grantee's satisfaction of its obligations under this Agreement; and the Grantee agrees to submit such reports as the County shall reasonably request pertaining to Grantee's satisfaction of the obligations set forth in this Agreement. Job Creation, Retention, and Maintenance records to be provided to the County by Grantee shall include the monthly employment totals of Qualified Jobs.

3. Grantee shall provide such additional non-confidential information reasonably requested by the County for the purposes of verifying Grantee's satisfaction of its obligations under this Agreement within thirty (30) days of the written request by the County. Failure by Grantee to provide the information requested within thirty (30) days shall constitute an Event of Default of this Agreement, and the County may exercise the remedies outlined in Section II.5 of this Agreement.

4. Grantee shall notify the County immediately if it is appealing any County property tax valuation, or if it is claiming any exemption, during the Incentive Period. No incentive payment will be made by the County for the year of the property tax appeal or claim for exemption and any subsequent year until the matter is finally adjudicated. Upon final adjudication of the appeal or claim, the Grantee shall notify the County, and the County shall make the incentive payment based upon the final adjudicated valuation.

5. Default, Cure Right, and Remedies.

(a) The failure of Grantee to comply with any material terms and conditions of this Agreement will constitute an event of default ("Event of Default").

(b) The County will provide the Grantee with written notice of an Event of Default. Such notice will describe the facts and circumstances associated with such Event of Default. Thereafter, the Grantee will have up to thirty (30) days to cure such Event of Default to the reasonable satisfaction of the County.

(c) Subject to the cure rights described in Section II.5(b) of this Agreement, upon an Event of Default, the County may, in its discretion, exercise one or more of the following remedies:

(i) Suspend or terminate the payment of the Incentives;

(ii) Require the repayment by the Grantee of all Incentives paid to Grantee prior to the occurrence of an Event of Default; and

(iii) Terminate this Agreement.

(d) If the County exercises its remedy to require repayment of all Incentives pursuant to Section II.5(c) of this Agreement, due to an Event of Default by the Grantee, the Grantee agrees to promptly remit to the County any payments of Incentives previously received by the Grantee which have been paid or received by the Grantee in violation of the provisions of this Agreement.

(e) Except as otherwise provided herein, failure to fully achieve the Job Condition or the Capital Investment Condition shall not constitute an Event of Default, but shall be subject to reduced Incentives as provided in Section I.4 of this Agreement.

6. Grantee shall not be entitled to any annual economic development assistance if it is in arrears in the payment of its annual property taxes or other financial obligations to the County.

III. Public Records and Confidential Information. All non-confidential information and documents provided by the Grantee to the County shall be treated as a public record under N.C.G.S. 132-1 et. seq. All information or documents provided by the Grantee to the County and marked as "confidential" or with a similar designation under N.C.G.S. 132-1.2 will be treated by the County as confidential and will not be disclosed to any person without the prior written consent of the Grantee, if it meets the criteria outlined in N.C.G.S. 132-1.2 (1)(a-d).

IV. Other Provisions:

(1) Amendment. This Agreement may not be amended or modified except with the prior written consent of all parties.

(2) Applicable Law; Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without regard to any application of conflicts or choice of law principles.

(3) Assignment. This Agreement and the right to receive Incentives hereunder are non assignable without the written consent of the County.

(4) Continue Operation in County. Grantee must continue to operate its Facility in Caswell County during the term of this Agreement in order to be eligible to receive Incentive payments thereon.

(5) Reimbursement and Refund (Recapture Provisions). If the Grantee ceases operations at the Facility or otherwise ceases to use the site for the purposes contemplated herein, in either case within the five (5) year Incentive Period for any reason other than nonperformance by the County of its covenants under this Agreement, then, at the County's request, the Grantee will refund to the County, a percentage of the Annual Total Incentive Payments previously paid to the Grantee, in each case depending on the year in which the Grantee ceases operations at the Facility as determined in the following table:

(Table: Year in which operations are ceased)

Year	Reimbursement Percentage
1	100%
2	90%
3	80%
4	70%
5	60%

(6) Audit Right. The County reserves the right to require an audit by an independent certified public accountant, or may perform the audit through the use of its County staff, solely for the limited purpose of confirming the Grantee's compliance with the Capital Investment and Jobs Conditions described in Section I of this Agreement. If the County elects to undertake an audit, it shall provide the Grantee with at least thirty (30) days prior written notice and such audit will be at the County's sole expense. The Grantee will provide the County and its auditors with reasonable access to such records and the premises of the Grantee as may be necessary to conduct such audit, subject to the execution of appropriate written assurances in favor of the Grantee with respect to the preservation of the confidential information of the Grantee and third parties that is made available in the course of such audit. The County will be entitled to retain documentation from the said audit for as long as it deems necessary, and to use the audit solely for the limited purposes described above.

(7) Binding Obligation. The Parties and their respective successors, assigns, and legal representatives accept full legal responsibility hereunder for compliance with all covenants, agreements and obligations of this Agreement and with respect to all funds received hereunder from the County by the Grantee.

(8) Compliance with Law

(a) Grantee and its subcontractors shall comply with Article 2 of Chapter 64 of the North Carolina General Statutes relating to the required use of the federal E-Verify program to verify the work authorization of newly hired employees. Failure of the Grantee to comply with this provision or failure of its subcontractors to comply could render this contract void under North Carolina law.

(b) Provider hereby certifies that it is not on the North Carolina State Treasurer's lists of persons engaging in business activities in Sudan (Darfur), Iran, or boycotting Israel, prepared pursuant to NCGS §§ 147-86.43, 147-86.58, and 147-86.81, nor will Provider utilize for this Agreement any subcontractor on such lists.

(c) The Grantee and the County shall comply with all applicable federal, state, and local laws that may be required to carry out their respective obligations to be performed under this Agreement.

(d) The Grantee shall comply with all applicable employment laws, including but not limited to the Americans with Disabilities Act (ADA), the State of North Carolina Occupational/Safety and Health Act (OSHA), and the State and Federal Equal Opportunity laws, as well as the applicable regulations promulgated thereunder.

(9) Counterparts; Jurisdiction. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original. The Parties submit to the exclusive jurisdiction of the North Carolina State courts sitting in Caswell County with respect to any dispute arising under this Agreement.

(10) Entire Agreement; Authority. This Agreement is the entire agreement between these Parties as to the subject matter referenced herein, without regard to any prior agreements, understandings or undertakings, whether oral, written, electronic, or otherwise. The Parties, and each person executing this Agreement on behalf thereof, represent and warrant that they have the full right and authority to enter into this Agreement, to sign on behalf of the party indicated, and are acting on behalf of themselves, their constituent members and the successors and assigns of each of them, in each case in their official capacities.

(11) Exhibits. The attached Exhibits, as described below, are incorporated herein by reference.

Exhibit A: Capital Investment Schedule, Job Creation, Retention, and
Maintenance Schedule, and Maximum Job Incentive
Exhibit B: Estimated Cash Incentive Schedule

(12) Further Action. The Parties acknowledge that further actions are not legally necessary under North Carolina law to implement the terms of this Agreement in a lawful manner. The Parties agree that if this Agreement is challenged by a third party in a court of law, they shall cooperate with the County in defense of the Agreement.

(13) Hiring Practices. The Grantee will use reasonable efforts to hire, where practicable, qualified local contractors, including minority and women contractors, and for employment purposes local residents from the Caswell County area.

(14) Hold Harmless. The Grantee agrees to hold the County harmless from liability for any expenses which may be claimed against the County due to any acts or omissions by the Grantee or its employees or agents related to the administration of the Project.

(15) Notice. Notices shall be given in writing, and shall be deemed received (a) when personally delivered; (b) three business days after being deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, or (c) one business day after being deposited with an overnight commercial courier (such as, but not limited to, Federal Express), at the following addresses:

For notice to the COUNTY:

Caswell County Manager
Caswell County Government Center
144 Court Square
Yanceyville, NC 27379

WITH COPY TO:
Caswell County Attorney
144 Court Square
Yanceyville, NC 27379

For notice to COMPANY:
Revision Solar, LLC
4810 Old Hwy 86 N.
Yanceyville, NC 27379

(16) Relationship of Entities. Nothing contained herein will be construed as establishing an employment relationship, partnership, joint venture, or agency agreement among the Parties.

(17) Severability. In the event that a court of competent jurisdiction holds that a provision or requirement of this Agreement violates any applicable law, each such provision or requirement shall be replaced with a revision which accomplishes the purposes outlined herein and shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Agreement, not contingent thereon, shall remain in full force and effect.

(18) Statutory Authority. N.C.G.S. 158-7.1 authorizes the execution of this Agreement by the Parties upon approval of the Board of County Commissioners following a public hearing.

By: _____
Tim Yarbrough, Chair, Caswell County
Board of Commissioners

PRE-AUDIT CERTIFICATE

This Agreement has been pre-audited pursuant to North Carolina General Statute §159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

, Finance Director

APPROVED AS TO FORM:

, County Attorney

Exhibit A

Capital Investment Schedule

Private Investment

Direct Investment to be made by the proposed Grantee

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025	\$225,000	\$ 100,000	\$150,000	\$475,000
2026		\$	\$	\$
2027			\$	\$
Total	\$	\$	\$	\$

Direct Investment To Be Made by the Related Member(s)

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025				
2026			\$	\$
2027				
Total				\$

Total Direct Investment (the Proposed Grantee and the Related Member(s) combined)

	A	B	C	
Calendar Year	Real Property Acquisition	Real Property Construction and/or Improvements	Tangible Personal Property	Total
2025	\$			\$
2026		\$	\$	\$
2027			\$	\$
Total	\$	\$	\$	\$

Exhibit B

Estimated Cash Incentive Schedule

	Estimated Taxes Paid	Level 4 Percentage	Estimated Cash Incentive
Year 1	\$	90%	\$
Year 2	\$	80%	\$
Year 3	\$	70%	\$
Year 4	\$	60%	\$
Year 5	\$	50%	\$
Total	\$		\$

Caswell County Board of Commissioners
Resolution Authorizing Incentives Contract with Revision Solar, LLC

WHEREAS, North Carolina General Statute 158-7.1 authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the county; and

WHEREAS, the Board of Commissioners of Caswell County has held a public hearing to consider whether to participate in an economic development project with Revision Solar, LLC, hereafter referred to as "Company" by reimbursing Company, for Economic Development Activities on land located in Caswell County. Company will construct a facility for maintaining solar facilities, making an investment of at least \$251,000 and creating 5 new full-time jobs in Caswell County, paying an average annual wage equal to or greater than the county average of \$45,278. ; and this determination of the annual wage at the facility is based upon materials provided to the County by Company [based upon data submitted to the State of North Carolina and materials provided at that time to the County by Company]; and

WHEREAS, this economic development project will stimulate, diversify, and stabilize the local economy, promote business in the County, and result in the creation of a substantial number of jobs in the County that pay at or above the average annual wage in in the County (the average wage in Caswell County is \$45,278 as determined by the North Carolina Department of Commerce); and

WHEREAS, Caswell County wants the Company to locate and expand its current facilities in Caswell County; and

WHEREAS, Company would have located its operations outside Caswell County, but for the County's participation; and

WHEREAS, The County will fund these payments with available revenues in its General Fund and these payments will be less than the property tax revenue paid by the company.;

THE BOARD OF COMMISSIONERS OF CASWELL COUNTY THEREFORE RESOLVES THAT:

1. The County is authorized to expend up to \$8,775.00 of County funds for the Company's project.
2. As consideration for the County's participation, Company, has contractually agreed to construct on the property a facility for maintaining a solar farm landscaping business and this facility will generate property tax revenues over the next 5 years in an amount that exceeds the County expenditure.

3. A copy of the contract, to be entered into pursuant to subsection (h) of G.S. 158-7.1, is attached to this resolution. The contract outlines the terms of the County's participation and contains recapture provisions in the event that the Company fails to perform its obligations.
4. The Board approves these incentives in an open meeting to attract businesses to Caswell County.
5. The attached contract between the County and Company is approved.
6. The Chairman of the Board of Commissioners is authorized to execute the contract and any other documents necessary to the project on behalf of the County and to participate in an economic development incentives agreement with the Company as further described herein, subject to a pre-audit certificate thereon by County Finance Director, if applicable and approval as to form and legality by the County Attorney.

This the _____ day of _____, 2025.

Caswell County

BY: _____ (SEAL)
Tim Yarbrough, Chair Caswell County
Board of Commissioners

ATTEST:

Scott Whitaker
Clerk to the Board



AGENDA FORM

TO: Caswell County Board of Commissioners
FROM: Scott Whitaker, County Manager
SUBJECT: Set dates for Budget Work Sessions

BACKGROUND INFORMATION:

The Board of Commissioners adopted a budget calendar in December, 2024 that sets out key dates for preparation of the FY 2025-2026 budget. The calendar included the following dates for budget work sessions: June 2, June 9 and June 10. The calendar also requires approval of the budget ordinance on June 16, which is the last regularly scheduled meeting in June. The budget ordinance must be adopted by June 30.

In reviewing this, staff believes there is not enough time between board review of the budget and preparation of the budget ordinance. Staff would like to propose that the budget calendar be revised to set May 28 from 8 am to 5 pm and June 2 from 1 to 5 pm as dates for budget work sessions.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to approve amendment the budget calendar to revise the dates for budget work sessions to May 28 from 8 am to 5 pm and June 2 from 1 to 5 pm. The library is available for both dates, if the Commissioners would like to meet in that location.

FISCAL IMPACT:

ATTACHMENTS:

Revised FY 2026 Budget Calendar

Caswell County FY 2025-2026 Budget Calendar

Deadline	Actions
<i>August 30, 2024</i>	<ul style="list-style-type: none"> • <i>Capital Improvements Program (CIP) forms distributed to agencies</i>
<i>September 30, 2024</i>	<ul style="list-style-type: none"> • <i>CIP forms due from agencies and departments for new/changed projects</i>
<i>November 4, 2024</i>	<ul style="list-style-type: none"> • <i>Manager submits recommended CIP to the Board of Commissioners</i> • <i>Heads Up document due from departments</i>
<i>November 18, 2024</i>	<ul style="list-style-type: none"> • <i>Board holds public hearing on the proposed CIP</i>
<i>November 20, 2024</i>	<ul style="list-style-type: none"> • <i>Board holds work session on the proposed CIP</i>
<i>December 16, 2024</i>	<ul style="list-style-type: none"> • <i>Board adopts CIP</i>
January 15, 2025	<ul style="list-style-type: none"> • Budget summit materials (<i>Heads Up</i>, trends, preliminary budget information, etc.) submitted to Board of Commissioners
January 22 & 23, 2025	<ul style="list-style-type: none"> • Board Retreat: Board of Commissioners sets goals and guidelines for FY 2025-2026 budget
January 31, 2025	<ul style="list-style-type: none"> • Budget Kickoff with county departments • Budget software opens
March 3, 2025	<ul style="list-style-type: none"> • Budgets due from departments and agencies (except schools). Department meetings begin the week of March 10
May 5, 2025	<ul style="list-style-type: none"> • Budget submitted to Board of Commissioners and public
May 15, 2025	<ul style="list-style-type: none"> • Statutory deadline to receive budget from Caswell County Schools
May 19, 2025	<ul style="list-style-type: none"> • Board holds budget public hearing
May 28, 2025	<ul style="list-style-type: none"> • Board of Commissioners holds work session to give final direction to staff on preparation of the ordinance
June 2, 2025	<ul style="list-style-type: none"> • If needed, Board of Commissioners holds additional work sessions for final direction to staff
June 16, 2025	<ul style="list-style-type: none"> • Board of Commissioners adopts FY 2025-2026 Budget Ordinance



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Scott Whitaker, County Manager

SUBJECT: Discussion on filling vacant Commissioner seat

BACKGROUND INFORMATION:

Effective April 25, 2025, Commissioner Rick McVey has resigned his seat. Because of HB58 passed in this session of the General Assembly, the Board Commissioners must follow NCGS 153A-27.1 that provides the following:

§ 153A-27.1. Vacancies on board of commissioners in certain counties.

(a) If a vacancy occurs on the board of commissioners, the remaining members of the board shall appoint a qualified person to fill the vacancy. If the number of vacancies on the board is such that a quorum of the board cannot be obtained, the chairman of the board shall appoint enough members to make up a quorum, and the board shall then proceed to fill the remaining vacancies. If the number of vacancies on the board is such that a quorum of the board cannot be obtained and the office of chairman is vacant, the clerk of superior court of the county shall fill the vacancies upon the request of any remaining member of the board or upon the petition of any registered voters of the county.

(b) If the member being replaced was serving a two-year term, or if the member was serving a four-year term and the vacancy occurs later than 60 days before the general election for county commissioner held after the first two years of the term, the appointment to fill the vacancy is for the remainder of the unexpired term. Otherwise, the term of the person appointed to fill the vacancy extends to the first Monday in December next following the first general election for county commissioner held more than 60 days after the day the vacancy occurs; at that general election, a person shall be elected to the seat vacated for the remainder of the unexpired term.

(c) To be eligible for appointment to fill a vacancy, a person must (i) be a member of the same political party as the member being replaced, if that member was elected as the nominee of a political party, and (ii) be a resident of the same district as the member being replaced, if the county is divided into electoral districts.

(d) If the member who vacated the seat was elected as a nominee of a political party, the board of commissioners, the chairman of the board, or the clerk of superior court, as the case may be, shall consult the county executive committee of the appropriate political party before filling the vacancy, and shall appoint the person recommended by the county executive

committee of the political party of which the commissioner being replaced was a member, if the party makes a recommendation within 30 days of the occurrence of the vacancy.

In summary, the board of commissioners: must fill Commissioner Rick McVey's vacancy as follows:

- Select a member of the same political party
- Consult the political party regarding a nomination, and is required to appoint the party's nomination, as long as the recommendation is received within 30 days of the vacancy
- Unlike the statute that previously applied, there is no timeframe prescribed for filling the vacancy.

RECOMMENDED ACTION/MOTION:

The Board is advised to accept Mr. McVey's resignation and the chair is advised to consult with the Republican Party to fill his vacant seat

FISCAL IMPACT:

N/A

ATTACHMENTS:

McVey letter of resignation

April 25, 2025

Tim Yarbrough, Chair
Caswell County Board of Commissioners
144 Court Square
Yanceyville, NC 27379

Dear Chairman Yarbrough:

I resign from the Caswell County Board of Commissioners as of this date.

Sincerely

Rick McVey

A handwritten signature in black ink, appearing to read "Rick McVey", with a long, sweeping horizontal line extending to the right.

6/1/2025