



Board of Commissioners Agenda Work Session

Gunn Memorial Library

February 3, 2025 at 5:00 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

Presentations:

6. Presentation on Outdoor Storage Violations County Manager Paschal
7. Presentation from NCHIP on health insurance renewal County Manager Paschal

Action Items:

8. Approval of Audit Contract with Thompson, Price, Scott and Adams Certified Public Accountants County Manager Paschal

Discussion Items

9. Fiscal Policy County Manager Paschal
10. FY 2025-2026 Board goals County Manager Paschal
11. Leasing Co-Square Space to Health Community Alternatives Program County Manager Paschal
12. Discussion on Finance Officer recruitment next steps County Manager Paschal

County Manager's Updates

County Attorney Updates

Commissioner Comments

Announcements and Upcoming Events

- February 17, Board of Commissioners Regular Meeting, 6:30 pm, Gunn Memorial Library
- March 3, Board of Commissioners Work Session, 5 pm, location TBD

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, which privilege is hereby

acknowledged NCGS 143-318.11 (a) (3) and to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee allowed under NCGS 143-318.11 (a) (6).

Adjournment



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Jason Watlington, Planning Director

SUBJECT: Code Enforcement, UDO Violations and Fines

BACKGROUND INFORMATION:

The UDO gives the Planning Director authority to assess fines on property owners that violate ordinances. The biggest issues are junk cars and failure to comply with the Outdoor Storage Ordinance. The Planning Department is proposing to better define the process of how fines are assessed and the consequences associated with nonpayment and noncompliance.

STAFF RECOMMENDATION, IF APPLICABLE: NA

RECOMMENDED ACTION/MOTION:

Recommendation is for the Board of Commissioners to

Move to approve the process by which fines are assessed and the consequences associated with nonpayment and noncompliance.

FISCAL IMPACT:

Fines collected may be placed in a special fund to assist in attorney compensation if cases must be taken before the judge or magistrate.

ATTACHMENTS:

- Ordinance Violation Fine Schedule Summary
- Ordinance Violation Schedule

This agenda form has been reviewed by:	Initial & Date
Town Manager	
Finance Director	
Town Attorney	
Department Head (s)	
Town Clerk	



CASWELL COUNTY PLANNING DEPARTMENT

215 County Park Rd | PO Box 1406, Yanceyville, NC 27379 | Office: 336-694-9731 | Fax: 336-694-5547 | E-Mail: jwtatlington@caswellcountync.gov

Planning Department Ordinance Violation Fine Schedule Summary

For years Caswell County has not been able to enforce the Unified Development Ordinance (UDO) to it's fullest due to the inability to collect fines levied, and/or achieve closure and compliance on properties in violation. In order to clean up Caswell County we will continue to help the property owner know how to be compliant however we must draw a line and make the consequences real and impactful to the violator. Our common goal is to appreciate our land, take pride in our county, and show it off to visitors who pass through.

The schedule of violations and fines, as you will read further down, is not an actual amendment to the UDO but only a specific process that the Planning Department proposes, to hold the violators accountable. The following are excerpts from the UDO that speak about the UDO Administrator, Violations, and Fines. While junk cars and outdoor storage violations are the most common ordinance violation, the process of fining coding violations will relate to all ordinance violations.

SECTION 1.12 ENFORCEMENT AND PENALTIES.

1.12.1. UDO Administrator.

A UDO Administrator, designated by the Caswell County Manager, shall administer and enforce this Ordinance (refer to Article 3). If the UDO Administrator finds that any of the provisions of this Ordinance are being violated, he/she shall notify in writing the person responsible for such violations, indicating the nature of the violation and ordering the action necessary to correct it. He/she shall order discontinuance of the illegal use of land, buildings or structures; removal of illegal buildings or structures or of additions, alterations or structural changes thereto; discontinuance of any illegal work being done; or shall take any other action authorized by this Ordinance to ensure compliance with, or to prevent violation of its provisions. If a ruling of the Administrator is questioned, the aggrieved party or parties may appeal such ruling to the Board of Adjustment.

1.12.2. Complaints Regarding Violations.

Whenever the UDO Administrator receives a written, signed complaint alleging a violation of the Ordinance, he/she shall investigate the complaint, take whatever action is warranted, and inform the complainant in writing what actions will be taken.

1.12.2.1 The Caswell County Sheriff's Department shall be specifically responsible for receiving all complaints alleging a violation at all Shooting Ranges. They shall investigate the complaint, take whatever action is warranted and then inform the UDO Administrator so that he/she may enforce the provisions of this ordinance.

1.12.3. Persons Liable for Violations.

The owner, tenant, or occupant of any building or land or part thereof and any architect, builder, contractor, agent, or other person who participates in, assists, directs, creates, or maintains any situation that is contrary to the requirements of this Ordinance may jointly and/or independently be held responsible for the violation and suffer the penalties and be subject to the remedies herein provided.

1.12.4. Procedures Upon Discovery of Violations.

1.12.4.1. If the UDO Administrator finds that any provision of this Ordinance is being violated, he/she shall send a written notice to the person responsible for such violation, indicating the nature of the violation and ordering the action necessary to correct it. Additional written notices may be sent at the UDO Administrator's discretion.

1.12.4.2. The final written notice (and the initial written notice may be the final notice) shall state what action the UDO Administrator intends to take if the violation is not corrected and shall advise that the UDO Administrator's decision or order may be appealed to the Board of Adjustment in accordance with Section 4.2.1.

1.12.4.3. Notwithstanding the foregoing, in cases when delay would seriously threaten the effective enforcement of the Ordinance or pose a danger to the public health, safety, or welfare, the UDO Administrator may seek enforcement without prior written notice by invoking any of the penalties or remedies authorized in Section 1.12.5.

1.12.5. Remedies.

Any or all of the following procedures may be used to enforce the provisions of this Ordinance.

1.12.5.1 Injunction. Any violation of this Ordinance or of any condition, order, requirement, or remedy adopted pursuant hereto may be restrained, corrected, abated, mandated, or enjoined by other appropriate proceedings pursuant to state law.

1.12.5.2 Civil Penalties. Any person who violates any provision of this Ordinance shall be subject to the assessment of a civil penalty under the procedures provided in Section 1.12.6.

1.12.5.3 Denial of Permit, Application, or Certificate. The UDO Administrator shall withhold or deny any permit, application, certificate, or other authorization on any land, building, structure, or use in which there is an uncorrected violation of a provision of this Ordinance, or of a condition or qualification of a permit, certificate, or other authorization previously granted.

1.12.5.7 Criminal Penalties. Violations of this Ordinance shall not constitute a Class 1 misdemeanor as provided by NCGS 14-4 but shall be civil in nature only.

1.12.6 Civil Penalties, Assessments and Procedures.

1.12.6.1 Notice. No civil penalty shall be assessed until the person alleged to be in violation has been notified in accordance with Section 1.12.4. If after receiving a notice of violation under Section 1.12.4, the owner or other violator fails to take corrective action, a civil penalty may be imposed under this section in the form of a citation. The citation shall be served in the same manner as a notice of violation. The citation shall state the nature of the violation, shall state the civil penalty to be imposed upon the violator, and shall direct the violator to pay the civil penalty within thirty (30) days of the date of the citation.

1.12.6.2 Continuing Violation. For each day the violation continues, the violator will be guilty of an additional and separate violation and subject to additional civil penalties.

1.12.7 Other Powers and Actions. In addition to other enforcement provisions contained in this Article, the County may exercise any and all enforcement powers granted to it by state law or common law.

1.12.8 Remedies, Cumulative and Continuous.

1.12.8.1 Cumulative Violations. All remedies provided herein shall be cumulative. To the extent that North Carolina law may limit the availability of a particular remedy set forth herein for a certain violation or a part thereof, such remedy shall remain available for other violations or other parts of the same violation.

1.12.8.2 Repeat Violations. If an owner or occupant repeats the same violation within a five-year period from the date of the initial violation, it shall be considered to be a repeat violation and shall be subject to additional remedies and the penalties set forth in Section 1.12.8.3, below. Provided, however, this section and the increased penalties set forth in Section 1.12.8.3 shall not apply to a continuing violation as prescribed in Section 1.12.6.2.

1.12.8.3 Penalties. Any person who violates any provision of this Ordinance shall be subject to assessment of a civil penalty in the amount of:

- (A) \$50.00 for the first violation;
- (B) \$100.00 for the second violation;
- (C) \$200.00 for the third violation;
- (D) \$300.00 for the fourth and each succeeding violation.

1.12.8.4 Demand for Payment. The UDO Administrator shall make written demand for payment upon the owner or the person in violation and shall set forth in detail a description of the violation for which the civil penalty has been imposed.

1.12.8.5 Nonpayment. If payment is not received or equitable settlement reached within 30 days after demand for payment is made, the matter may be referred to legal counsel to institute a civil action for recovery of the civil penalty.

Ordinance Violation Schedule

CURRENT

- Complaint or visual of another property while performing a site visit
- Site Visit and discussion with owner if home
- Letter mailed (certified) advising of violation and corrective measures
- ORDINANCE STATES:
 - No civil penalty shall be assessed until the person alleged to be in violation has been notified in accordance with section 1.12.4. If after receiving notice the owner fails to take corrective action a civil penalty may be imposed in the form of a citation. Served in person or by certified mail. Shall state nature of violation, civil penalty (\$50), and shall direct owner to pay within 30 days.
 - For each day the violation continues, the violator will be guilty of an additional and separate violation and subject to civil penalties. Section 1.12.8.3 outlines penalties.
 - If payment not received within 30 days, the matter may be referred to legal counsel

1.12.4

- ***Written letter indicating nature of violation and ordering the action necessary to correct it. Additional letters may be sent at UDO Administrators discretion.***
- ***The final written notice (and the initial written notice may be the final notice) shall state what action the UDO Administrator intends to take if the violation is not corrected and shall advise that the UDO Administrators decision or order may be appealed to the Board of adjustments***

PROPOSAL

- After initial site visit to confirm violation, place a door hanger notifying of violation.
- Mail a certified letter of violation to the property owner and or tenant. The letter will consist of:
 - The specific violation, a GIS map and pictures.
 - Necessary corrective action
 - State the civil penalty fines and enforcement schedule as listed below.
 - Appeal process to the Board of Adjustments.
- At day 30 a site visit will be performed.
 - At day 30 if substantial progress has been made, an additional 15 days will be granted and fines will begin on day 46.
 - If the site is compliant a letter will be mailed notifying property owner and or tenant
 - If the property is not in compliance: A letter will be mailed notifying of Civil Penalties as listed below.
Will follow fine schedule as listed in the UDO:
 - Day 31- \$50
 - Day 32- \$100
 - Day 33- \$200
 - Day 34- \$300
 - Day 35-60- \$300 Daily
- At day 60 if the site is compliant a letter will be sent out notifying property owner and or tenants and will note accumulated fines of \$8,450.00, demanding payment.
- OPTION- If property is compliant any day between Day 31 and Day 60, the fines will be cut in half.
- If the site remains non-compliant, the letter will outline the next steps of the violation process and note that the violation has now become a nuisance and will follow the county nuisance process.

Fines will be calculated in accordance to what specific day the property becomes compliant.



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Renee Paschal, County Manager

SUBJECT: NC Health Insurance Pool Presentation on Health Insurance Renewal

BACKGROUND INFORMATION:

Caswell County is a member of the North Carolina Health Insurance Pool (NCHIP) administered by Gallagher. We have received notice that our health insurance premiums will increase 6% in FY 2026, because claims in FY 23 and FY 24 exceeded our available reserves. Representatives from NCHIP will present on the insurance renewal and give the board background information on NCHIP.

The county has until February 28, 2025 to make a decision about whether to stay or whether to leave the pool.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

At the February 17, 2025, the board will be asked to approve the following motion:

1. Select NCCHIP as the county's benefits broker for FY 2026
2. Select the option for cost-sharing with employees.

FISCAL IMPACT:

The FY 2026 renewal will cost \$142,819.20 or 6% more if the county absorbs the entire increase. The NCHIP will present options for how the cost can be shared with employees.

ATTACHMENTS:

- NCHIP Presentation
- Premium increase cost-sharing scenarios



NCHIP Review with BOCC

In association with



Insurance | Risk Management | Consulting

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Presented by:
Dave Costa
February 3, 2025



Agenda

- **Medical Review**
 - History of NCHIP
 - Core Pillars, Growth, Renewal History
 - Caswell County Renewal History
 - Summary of Programs
- **Ancillary Review**
- **Timeline & Next Steps**



NCHIP History



NCHIP Today



7

**Years in
Operation**

29

Governments

10,200

**Total
Employees**

15,400

**Total
Members**

History, Membership & Governance



HISTORY

Established
July 1, 2018

29 governments
(7 original members)

MEMBERSHIP

Open to counties, cities
& towns with **51+**
enrolled on health plan

1 year membership
term
(July 1 renewal)

New members admitted
by recommendation of
Board of Trustees

GOVERNANCE

Members own the Trust

Each government
appoints a member to
the Board of Trustees

The Board consists of a
Chair, Vice Chair,
Treasurer & Secretary

NCHIP Members



July 1, 2018		July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024
 105 employees	 1,035 employees	 95 employees	 275 employees	 330 employees	 180 employees	 420 employees	 180 employees
 130 employees	 1,050 employees	 250 employees	 330 employees	 265 employees	 150 employees	 200 employees	
 195 employees	 1,205 employees	 290 employees	 550 employees	 130 employees	 200 employees	 230 employees	
 340 employees		 420 employees		 76 employees	 750 employees		
				 200 employees			



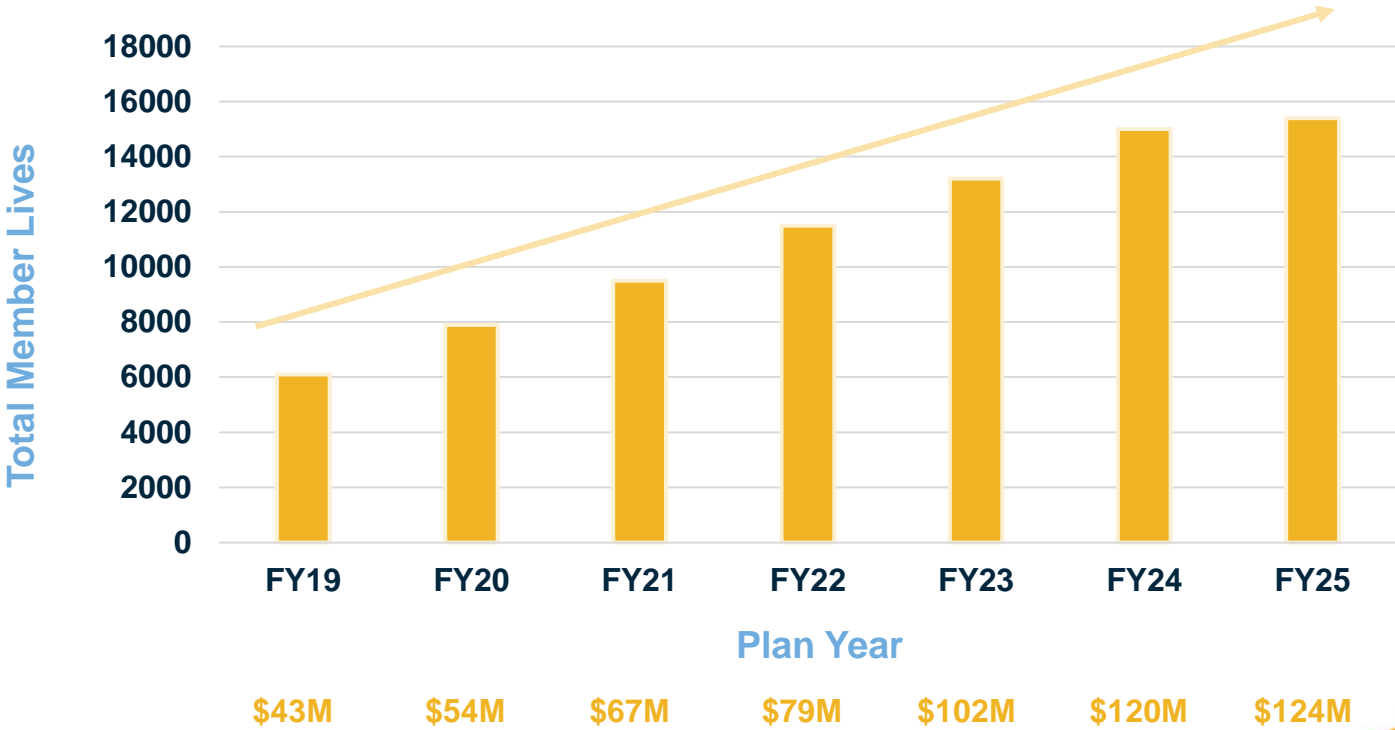
NCHIP's Core Pillars

Stability is the foundation of NCHIP's mission. With financial stability at the core, all members benefit from stable, predictable health premiums, enabling employers to prioritize employee health and wellbeing. Built on this foundation, **Autonomy** provides the freedom and flexibility for custom plan designs that address the unique needs of each employee population. By collaborating with North Carolina's leading public sector firms, NCHIP delivers world-class **Service** to all members. Together, NCHIP creates a **Community** of like-minded government leaders, united in strength and reaching outward and upward to serve all North Carolina public servants.

- **STABILITY** **Conservatively Funded & Reserved, Fully Transparent and Predictable**
- **AUTONOMY** **Preserve Plan Design Freedom**
- **SERVICE** **Managed by the State's Leading Public Sector Vendors**
- **COMMUNITY** **A Solution Created by Government Leaders, Led by Government Leaders**



Membership Growth

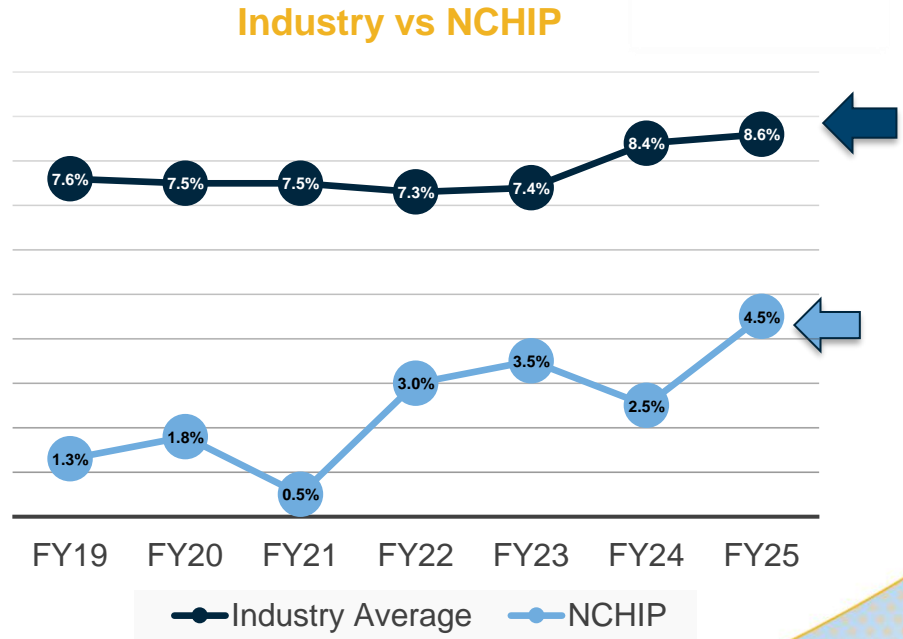


NCHIP Renewal History



	Industry	NCHIP
Plan Year	Average	Average
FY19 (7)	7.6%	1.3%
FY20 (11)	7.5%	1.8%
FY21 (14)	7.5%	0.5%
FY22 (20)	7.3%	3.0%
FY23 (25)	7.4%	3.5%
FY24 (28)	8.4%	2.5%
FY25 (29)	8.6%	4.5%

Average	7.8%	2.4%
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No individual member has ever exceeded a 6% increase per NCHIP internal policy

Caswell County | Renewal History



March 2019 | Caswell County



CONFIDENTIAL INFO

Caswell County

Prospective NCHIP Risk Analysis
NCHIP Effective Period: 7/1/2019 - 6/30/2020

Number of employees: 249
Current Funding Type: Fully Insured
Current Carrier: BCBSNC
NCHIP Roadshow Attendance: Yes
NCHIP Roadshow Location: Durham, NC
County/Town Manager: Bryan Miller
HR Director: Mandy Satterfield



Current & Proposed Rates

Rate Tier	Enrollment	Current		NCHIP - Current Plan Design	
		Monthly Premium Rates 7/1/19 - 6/30/19	Monthly Premiums @ Current Rates	NCHIP Funding Rates 7/1/19 - 6/30/20	Monthly Funding @ NCHIP Rates
PPO Option 1					
Single	141	\$807.20	\$85,615	\$874.79	\$95,145
Single + Sp.	3	\$1,244.17	\$3,733	\$1,382.66	\$4,148
Single + 1	6	\$990.34	\$5,942	\$1,100.57	\$6,603
Single + Ch	0	\$1,395.40	\$0	\$1,550.72	\$0
Family	1	\$1,586.02	\$1,586	\$1,762.56	\$1,763
PPO Option 2					
Single	93	\$583.92	\$54,305	\$648.92	\$60,250
Single + Sp.	2	\$1,396.46	\$2,393	\$1,329.64	\$2,659
Single + 1	3	\$952.35	\$2,857	\$1,058.36	\$3,175
Single + Ch	0	\$1,941.82	\$0	\$1,493.18	\$0
Family	0	\$1,525.17	\$0	\$1,694.94	\$0

Total PPO				
Total Monthly	249		\$156,490	\$173,679
Total Annual			\$1,877,880	\$2,084,149
% Change from Current				11.0%

NCHIP Accounting Illustration

12-Month NCHIP PPO Funding	\$2,084,149
Estimated NCHIP Claims and Fund Costs	(\$1,396,575)
Estimated Funding Variance Before IBNR Change	\$1,687,574
Estimated IBNR Liability*	(\$187,573)
Total Estimated Funds Available	\$0



Banded Layer Analysis

Category	Expected	High (2x Net Income Burden)	Low (1/2x Net Income Burden)
Projected NCHIP Banded Layer Without Caswell County	\$177.16	\$177.16	\$177.16
Projected Caswell County Banded Layer	\$183.09	\$184.32	\$88.16
Projected NCHIP Banded Layer With Caswell County	\$176.23	\$188.06	\$171.71
Estimated Impact to Current NCHIP Members' Banded Layer (PEPM)	-\$0.93	\$10.89	-\$5.45



North Carolina Health Insurance Pool

To: Caswell County
From: NCHIP Executive Board
Date: March 14, 2019
RE: Letter of Approval

Mr. Miller and Ms. Satterfield,

On behalf of the NCHIP Board of Trustees, we are excited to extend this letter of approval to Caswell County for entry into NCHIP effective July 1, 2019.

After a thorough review of Caswell County's risk analysis prepared and presented by Arthur J Gallagher, the NCHIP Board voted to approve Caswell County's request to join our current membership in our common mission of providing long-term stability and greater predictability to our health insurance programs. This approval is conditional on the accuracy of the representation of the claimant in question retiring effective 4/30/2019 and the internal policies shared with Arthur J. Gallagher.

We thank you for your interest in NCHIP, and we look forward to working with you in the years to come. Please reach out to me with any questions.

Sincerely,

Virginia Jones
Virginia Jones

NCHIP Chair
Town of Wake Forest
301 S. Brooks Street
Wake Forest, NC 27587
jo@wakeforestnc.gov
(919) 435-9491

CC: Martha Paige (Town of Morrisville), NCHIP Vice Chair
Bob Miracle (Catawba County), NCHIP Treasurer
Brenda Bartholomew (Orange County), NCHIP Secretary



RESOLUTIONS AUTHORIZING THE PARTICIPATION IN THE NORTH CAROLINA HEALTH INSURANCE POOL

WHEREAS, North Carolina local governments, including any North Carolina county, city, or housing authority, may enter into contracts or agreements under Article 23 of Chapter 58 of the North Carolina General Statutes (the "Local Government Risk Pool Act") to establish pools providing for life or accident and health insurance for their employees on a cooperative or contract basis with one another;

WHEREAS, the North Carolina Health Insurance Pool (NCHIP) is a pool providing for accident and health insurance for employees of North Carolina local governments in accordance with the Local Government Risk Pool Act; and

WHEREAS, this local government wishes to become a member of the NCHIP;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS OF THE County Of Caswell, as follows:

SECTION 1 As of July 1, 2019, this local government will become a Member of the North Carolina Health Insurance Pool (NCHIP), an intergovernmental cooperative to pool health insurance risks with other North Carolina local governments. The terms and conditions of membership in NCHIP will be such terms and conditions as are imposed by the board of trustees of NCHIP and pursuant to the terms of applicable contracts and by-laws of NCHIP, as such may be amended from time to time.

SECTION 2 In accordance with N.C.G.S. § 58-23-5(e), the County Manager of this local government, or such other officer, as shall be authorized, is directed to give notice (or cause notice to be given) to the North Carolina Commissioner of Insurance no later than June 1, 2019,

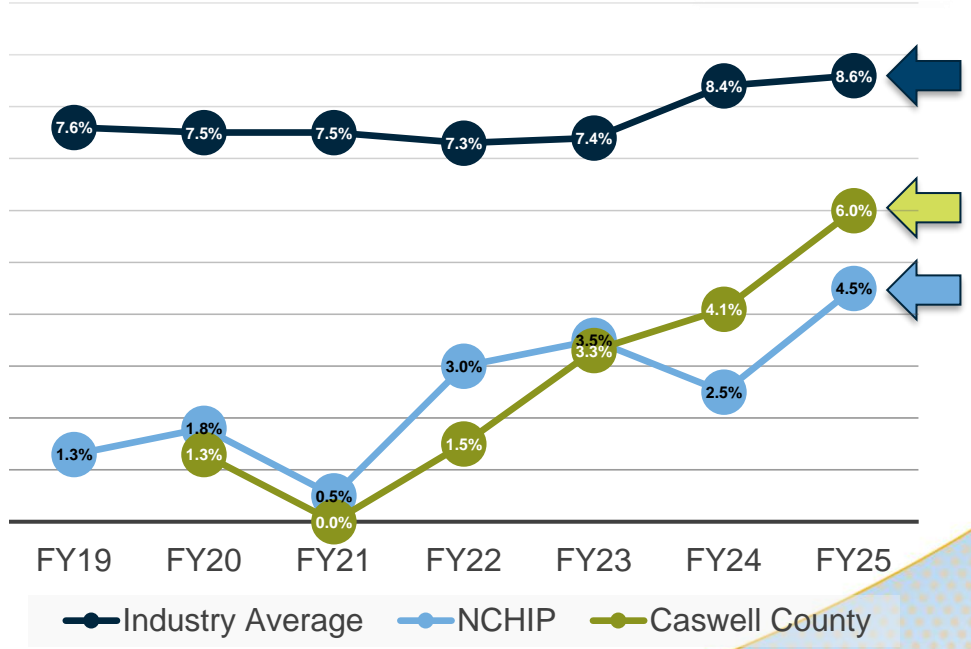


NCHIP Renewal History

	Industry	NCHIP	Caswell County
Plan Year	Average	Average	Actual
FY19 (7)	7.6%	1.3%	n/a
FY20 (11)	7.5%	1.8%	1.3%
FY21 (14)	7.5%	0.5%	0.0%
FY22 (20)	7.3%	3.0%	1.5%
FY23 (25)	7.4%	3.5%	3.3%
FY24 (28)	8.4%	2.5%	4.1%
FY25 (29)	8.6%	4.5%	6.0%

Average	7.8%	2.4%	2.7%
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Industry | NCHIP | Caswell County



NCHIP member level policy caps the max annual rate increase to 6% (below industry trend)

Renewal / Reserve History



Plan Year	ALL			Caswell County			
	Average Renewal	Reserve Fund	Loss Ratio	Renewal	Reserve Fund	Return of Surplus	Loss Ratio
FY19	1.3%	\$5.5M	87.1%				
FY20	1.8%	\$10.0M	92.1%	1.3%	\$353K	\$0	72%
FY21	0.5%	\$9.8M	95.6%	0%	\$524K (+\$171K)	\$0	84%
FY22	3.0%	\$12.2M	98.1%	1.5%	\$531K (+\$7K)	\$0	92%
FY23	3.5%	\$16.8M	95.9%	3.3%	\$246K (-\$286K)	\$0	119%
FY24	2.5%	\$25.1M	94.7%	4.1%	\$16K (-\$229K)	\$0	109%
FY25 <i>(thru Jan)</i>	4.5%	~\$27.0M	~98.2%	6.0%	-\$23K (-\$40K)	\$0	88%
7-Year Average	2.4%	-	-	2.7%	-\$23K (-0.1X needs)	-	



Preliminary Renewal for FY26

Caswell County

- 6% annual increase = \$142,000 additional cost
- Employer vs Employee Increase Considerations

BASE PLAN

		July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
Rate Tier	Count	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$760.55	\$95,069
EE + Spouse	1	\$1,447.50	\$1,448	\$1,534.35	\$1,534
EE+Child	2	\$1,162.50	\$2,325	\$1,232.25	\$2,465
EE+Children	0	\$1,617.50	\$0	\$1,714.55	\$0
EE+Family	0	\$1,842.50	\$0	\$1,953.05	\$0
		Total			
Total Monthly			\$93,460		\$99,068
Total Annual			\$1,121,520		\$1,188,811 6.0%

BUY UP PLAN

		July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
Rate Tier	Count	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$800.83	\$100,104
EE + Spouse	2	\$1,502.50	\$3,005	\$1,592.65	\$3,185
EE+Child	3	\$1,207.50	\$3,623	\$1,279.95	\$3,840
EE+Children	0	\$1,682.50	\$0	\$1,783.45	\$0
EE+Family	2	\$1,917.50	\$3,835	\$2,032.55	\$4,065
		Total			
Total Monthly			\$104,900		\$111,194
Total Annual			\$1,258,800		\$1,334,328 6.0%

COMBINED PLANS

Total Monthly			\$198,360		\$210,262
Total Annual			\$2,380,320		\$2,523,139 6.0%

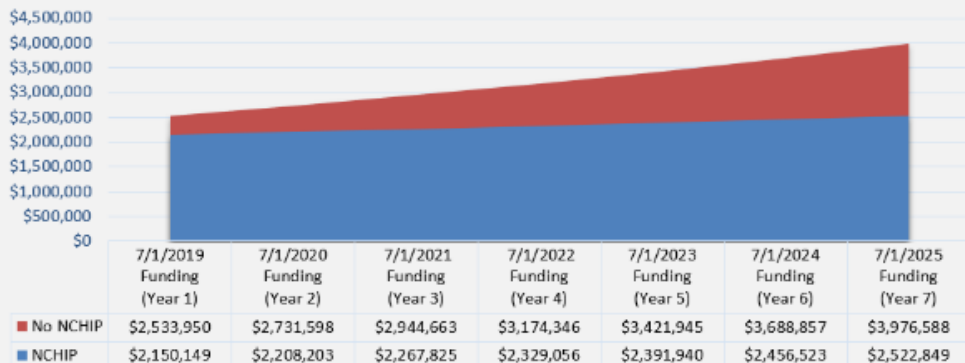


7-Year History

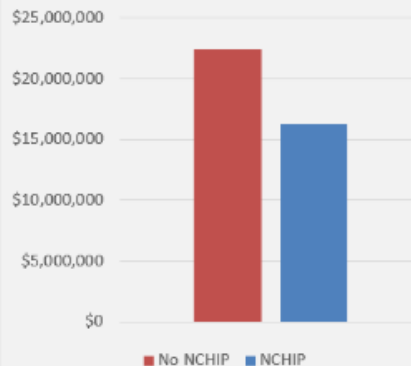
	Caswell County without NCHIP	Caswell County with NCHIP	Estimated Savings
7 Year Trend	7.8%	2.7%	5.1%
7/1/2019 Funding (Year 1)	\$2,533,950	\$2,150,149	\$383,801
7/1/2020 Funding (Year 2)	\$2,731,598	\$2,208,203	\$523,395
7/1/2021 Funding (Year 3)	\$2,944,663	\$2,267,825	\$676,838
7/1/2022 Funding (Year 4)	\$3,174,346	\$2,329,056	\$845,291
7/1/2023 Funding (Year 5)	\$3,421,945	\$2,391,940	\$1,030,005
7/1/2024 Funding (Year 6)	\$3,688,857	\$2,456,523	\$1,232,335
7/1/2025 Funding (Year 7)	\$3,976,588	\$2,522,849	\$1,453,739
Total	\$22,471,948	\$16,326,544	\$6,145,404

TOTAL ESTIMATED SAVINGS

Cumulative Funding - Traditional vs NCHIP



7 Year Total Cost Comparison



NCHIP Programs





Current Program Summary & Costs

- **NCHIP Concierge Team** – Personalized customer service representatives, trained in your group’s particular benefits, able to help with coverage questions, billing/claims concerns, locating providers, etc.
 - Cost: No cost to you as a member of NCHIP
- **Teladoc** – Virtual acute, behavioral, and dermatology care. Provides convenient access to doctor consultations via phone or online.
 - Cost: \$1.05 per contract per month and included in NCHIP funding
- **Livongo** – Diabetes management. Mobile app that helps with chronic disease management. Livongo sends eligible members free connected devices that they can use to track and manage their diabetes.
 - Cost: \$95 per participant per month and included in NCHIP funding
- **Amazon Pharmacy/MedsYourWay** – Allows members to easily order and get non-specialty meds delivered to their home. Program gives members access to MedsYourWay discount card pricing that gives up to 80% savings on brand/generic medicines.
 - Cost: No cost to you
- **Lantern (formerly Surgery Plus)**– Guided surgical care that allows members to access free surgical care for most planned surgeries.
 - Cost: 30% shared savings model
- **Businesssolver** – Benefit administration platform, COBRA administration, ACA tracking & reporting
 - Cost: ~\$4 PEPM and included in NCHIP funding
- **Consulting, Accounting, Audit, Legal, and Data Warehousing Services**
 - Cost: Included in NCHIP funding



Future Programs

- **Vida** – Weight management/diabetes prevention. Helps members achieve healthy weight and prevent type 2 diabetes and other conditions by adopting new healthy behaviors through expert coaching and in-app tools.
- **Progyny** – Health care solution to support fertility, family building, midlife, menopause, and peri-menopause care.
- **Primary 360** – Virtual primary care solution that creates lasting relationships between employees and care providers through long term care plans, continuous care team support and a unified, whole person experience.

Benefit Administration & Point Solutions



How to enroll in your benefits

NCHIP

Enroll April 29th – May 10th, 2024

LOGIN

Visit www.benefitsolver.com and login using your user name and password.

First time users: **Register** your user name and password and answer a few security questions. The case-sensitive company key is **NCHIP**. Log in using your new user name and password.

Click on the **Forgot your username or password?** link to reset your login details.

EXPLORE YOUR OPTIONS

Explore the site to learn about your benefits. You'll find lots of helpful information in the **Reference Center**.

The calendar at the top of the **Home** page lets you know how many days you have to enroll.

START YOUR ENROLLMENT

Click the **Start Here** button to review your personal information and add or edit any dependents you wish to cover.

You will need to provide each dependent's legal name, Social Security Number, and birth date to add them to your coverage.*

*This may be required to provide documentation to prove your relationship to each dependent.

Reach out to your administrator with questions.
www.benefitsolver.com
Company Key: NCHIP

Free Surgery Care



Virtual Providers



Musculoskeletal



Chronic Diseases



Mental Health



Weight Management



Ancillary Review | FY26



Carrier Overview



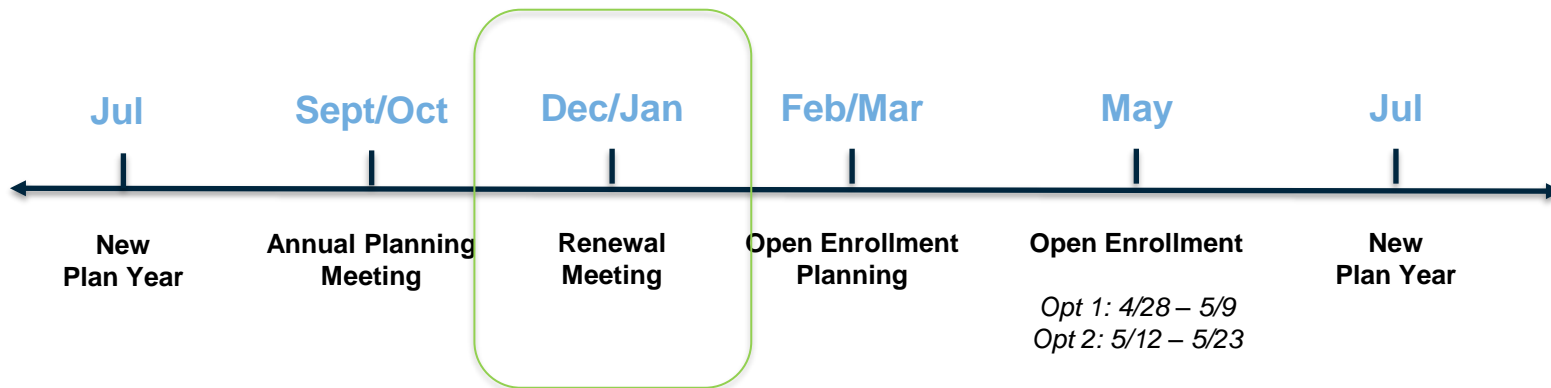
Coverage	Carrier	Renewal	Notes
Dental	Delta of NC	7/1/2026	5% reduction and 2-year rate guarantee
Vision	Community Eye Care	7/1/2027	16% reduction and 3-year rate guarantee
Life/ADD			
STD/LTD			
Hospital, Accident, Critical Illness/Cancer	Aflac	N/A	Group or Individual
COBRA	Businessolver	N/A	

Timeline





Annual Timeline



Questions?

Connect with us

Wes Grigston

wes_grigston@ajg.com

Dave Costa

dave_costa@ajg.com

4250 Congress St, Suite 200
Charlotte, NC 28209



Visit our website



www.mynchip.org



Addendum





Your Gallagher Public Sector Team



Public Sector Practice

50+

Benefits & HR and Worker's Comp & Liability
Consulting Clients in North Carolina Public Sector

60+

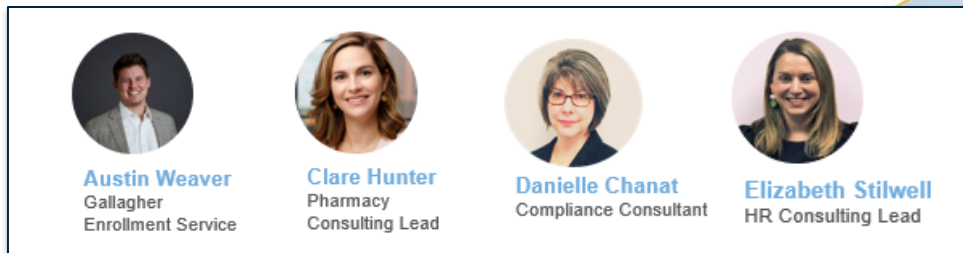
Pools, Trusts, Coalitions nationally

300+

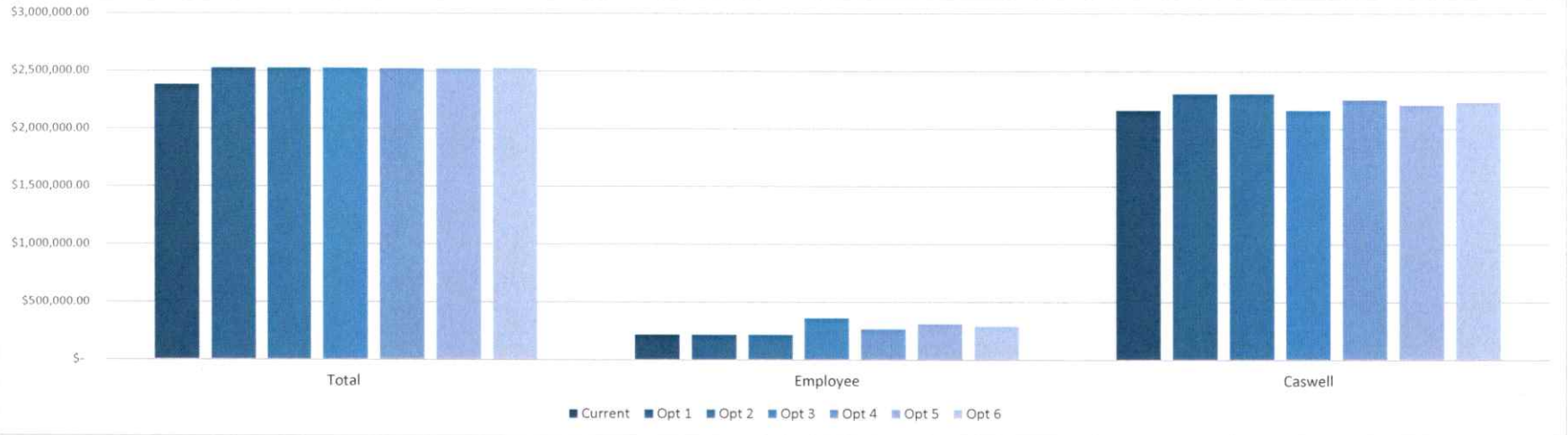
US Public Entity organizations participating in our
2024 Benefits Strategy & Benchmarking Survey



Dedicated Subject Matter Experts



	Total	Employee	Employee Change	Employee Change - \$	Caswell	Caswell Change	Caswell Change - \$	Description
Current	\$ 2,380,320.00	\$ 219,720.00		\$ -	\$ 2,160,600.00		\$ -	Current structure
Opt 1	\$ 2,523,139.20	\$ 219,720.00	0%	\$ -	\$ 2,303,419.20	7%	\$ 142,819.20	No Employee Change Opt 1
Opt 2	\$ 2,523,139.20	\$ 219,720.00	0%	\$ -	\$ 2,303,419.20	7%	\$ 142,819.20	No Employee Change Opt 2
Opt 3	\$ 2,523,139.20	\$ 362,539.20	65%	\$ 142,819.20	\$ 2,160,600.00	0%	\$ -	No Employer Change
Opt 4	\$ 2,520,720.00	\$ 266,520.00	21%	\$ 46,800.00	\$ 2,254,200.00	4%	\$ 93,600.00	+\$15 Employee & + 30 Employer
Opt 5	\$ 2,520,720.00	\$ 313,320.00	43%	\$ 93,600.00	\$ 2,207,400.00	2%	\$ 46,800.00	+\$30 Employee & + 15 Employer
Opt 6	\$ 2,523,840.00	\$ 291,480.00	33%	\$ 71,760.00	\$ 2,232,360.00	3%	\$ 71,760.00	50/50 increase split



Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



100% County Absorbs BASE PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$763.28	\$95,409
EE + Spouse	1	\$1,447.50	\$1,448	\$1,493.28	\$1,493
EE+Child	2	\$1,162.50	\$2,325	\$1,208.28	\$2,417
EE+Children	0	\$1,617.50	\$0	\$1,663.28	\$0
EE+Family	0	\$1,842.50	\$0	\$1,888.28	\$0
Employee					
EE Only	125	\$25.00	\$3,125	\$25.00	\$3,125
EE + Spouse	1	\$755.00	\$755	\$755.00	\$755
EE+Child	2	\$470.00	\$940	\$470.00	\$940
EE+Children	0	\$925.00	\$0	\$925.00	\$0
EE+Family	0	\$1,150.00	\$0	\$1,150.00	\$0
Caswell County					
EE Only	125	\$692.50	\$86,563	\$738.28	\$92,284
EE + Spouse	1	\$692.50	\$693	\$738.28	\$738
EE+Child	2	\$692.50	\$1,385	\$738.28	\$1,477
EE+Children	0	\$692.50	\$0	\$738.28	\$0
EE+Family	0	\$692.50	\$0	\$738.28	\$0
Total					
Total Monthly			\$93,460		\$99,319
Total Annual			\$1,121,520		\$1,191,831
Employee Annual			\$57,840		\$57,840
Caswell County Annual			\$1,063,680		\$1,133,991

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



100% County Absorbs BUY UP PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$801.28	\$100,159
EE + Spouse	2	\$1,502.50	\$3,005	\$1,548.28	\$3,097
EE+Child	3	\$1,207.50	\$3,623	\$1,253.28	\$3,760
EE+Children	0	\$1,682.50	\$0	\$1,728.28	\$0
EE+Family	2	\$1,917.50	\$3,835	\$1,963.28	\$3,927
Employee					
EE Only	125	\$63.00	\$7,875	\$63.00	\$7,875
EE + Spouse	2	\$810.00	\$1,620	\$810.00	\$1,620
EE+Child	3	\$515.00	\$1,545	\$515.00	\$1,545
EE+Children	0	\$990.00	\$0	\$990.00	\$0
EE+Family	2	\$1,225.00	\$2,450	\$1,225.00	\$2,450
Caswell County					
EE Only	125	\$692.50	\$86,563	\$738.28	\$92,284
EE + Spouse	2	\$692.50	\$1,385	\$738.28	\$1,477
EE+Child	3	\$692.50	\$2,078	\$738.28	\$2,215
EE+Children	0	\$692.50	\$0	\$738.28	\$0
EE+Family	2	\$692.50	\$1,385	\$738.28	\$1,477
Total					
Total Monthly			\$104,900		\$110,942
Total Annual			\$1,258,800		\$1,331,308
					5.76%
Employee Annual			\$161,880		\$161,880
Caswell County Annual			\$1,096,920		\$1,169,428

COMBINED PLANS					
Total Monthly			\$198,360		\$210,262
Total Annual			\$2,380,320		\$2,523,139
					6.0%
Employee Annual			\$219,720		\$219,720
Caswell County Annual			\$2,160,600		\$2,303,419

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



Employee Absorbs 100% BASE PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$760.55	\$95,069
EE + Spouse	1	\$1,447.50	\$1,448	\$1,534.35	\$1,534
EE+Child	2	\$1,162.50	\$2,325	\$1,232.25	\$2,465
EE+Children	0	\$1,617.50	\$0	\$1,714.55	\$0
EE+Family	0	\$1,842.50	\$0	\$1,953.05	\$0
Employee					
EE Only	125	\$25.00	\$3,125	\$68.05	\$8,506
EE + Spouse	1	\$755.00	\$755	\$841.85	\$842
EE+Child	2	\$470.00	\$940	\$539.75	\$1,080
EE+Children	0	\$925.00	\$0	\$1,022.05	\$0
EE+Family	0	\$1,150.00	\$0	\$1,260.55	\$0
Caswell County					
EE Only	125	\$692.50	\$86,563	\$692.50	\$86,563
EE + Spouse	1	\$692.50	\$693	\$692.50	\$693
EE+Child	2	\$692.50	\$1,385	\$692.50	\$1,385
EE+Children	0	\$692.50	\$0	\$692.50	\$0
EE+Family	0	\$692.50	\$0	\$692.50	\$0
Total					
Total Monthly			\$93,460		\$99,068
Total Annual			\$1,121,520		\$1,188,811
Employee Annual			\$57,840		\$125,131
Caswell County Annual			\$1,063,680		\$1,063,680

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year
July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



Employee Absorbs 100% BUY UP PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$800.83	\$100,104
EE + Spouse	2	\$1,502.50	\$3,005	\$1,592.65	\$3,185
EE+Child	3	\$1,207.50	\$3,623	\$1,279.95	\$3,840
EE+Children	0	\$1,682.50	\$0	\$1,783.45	\$0
EE+Family	2	\$1,917.50	\$3,835	\$2,032.55	\$4,065
Employee					
EE Only	125	\$63.00	\$7,875	\$108.33	\$13,541
EE + Spouse	2	\$810.00	\$1,620	\$900.15	\$1,800
EE+Child	3	\$515.00	\$1,545	\$587.45	\$1,762
EE+Children	0	\$990.00	\$0	\$1,090.95	\$0
EE+Family	2	\$1,225.00	\$2,450	\$1,340.05	\$2,680
Caswell County					
EE Only	125	\$692.50	\$86,563	\$692.50	\$86,563
EE + Spouse	2	\$692.50	\$1,385	\$692.50	\$1,385
EE+Child	3	\$692.50	\$2,078	\$692.50	\$2,078
EE+Children	0	\$692.50	\$0	\$692.50	\$0
EE+Family	2	\$692.50	\$1,385	\$692.50	\$1,385
Total					
Total Monthly			\$104,900		\$111,194
Total Annual			\$1,258,800		\$1,334,328
					6.00%
Employee Annual			\$161,880		\$237,408
Caswell County Annual			\$1,096,920		\$1,096,920

COMBINED PLANS

Total Monthly			\$198,360		\$210,262
Total Annual			\$2,380,320		\$2,523,139
					6.0%
Employee Annual			\$219,720		\$362,539
Caswell County Annual			\$2,160,600		\$2,160,600

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



EE \$15.00/CC \$30.00 Increase BASE PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$762.50	\$95,313
EE + Spouse	1	\$1,447.50	\$1,448	\$1,492.50	\$1,493
EE+Child	2	\$1,162.50	\$2,325	\$1,207.50	\$2,415
EE+Children	0	\$1,617.50	\$0	\$1,662.50	\$0
EE+Family	0	\$1,842.50	\$0	\$1,887.50	\$0
Employee					
EE Only	125	\$25.00	\$3,125	\$40.00	\$5,000
EE + Spouse	1	\$755.00	\$755	\$770.00	\$770
EE+Child	2	\$470.00	\$940	\$485.00	\$970
EE+Children	0	\$925.00	\$0	\$940.00	\$0
EE+Family	0	\$1,150.00	\$0	\$1,165.00	\$0
Caswell County					
EE Only	125	\$692.50	\$86,563	\$722.50	\$90,313
EE + Spouse	1	\$692.50	\$693	\$722.50	\$723
EE+Child	2	\$692.50	\$1,385	\$722.50	\$1,445
EE+Children	0	\$692.50	\$0	\$722.50	\$0
EE+Family	0	\$692.50	\$0	\$722.50	\$0
		Total			
Total Monthly			\$93,460		\$99,220
Total Annual			\$1,121,520		\$1,190,640
Employee Annual			\$57,840		\$80,880
Caswell County Annual			\$1,063,680		\$1,109,760

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year
July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



EE \$15.00/CC \$30.00 Increase BUY UP PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$800.50	\$100,063
EE + Spouse	2	\$1,502.50	\$3,005	\$1,547.50	\$3,095
EE+Child	3	\$1,207.50	\$3,623	\$1,252.50	\$3,758
EE+Children	0	\$1,682.50	\$0	\$1,727.50	\$0
EE+Family	2	\$1,917.50	\$3,835	\$1,962.50	\$3,925
Employee					
EE Only	125	\$63.00	\$7,875	\$78.00	\$9,750
EE + Spouse	2	\$810.00	\$1,620	\$825.00	\$1,650
EE+Child	3	\$515.00	\$1,545	\$530.00	\$1,590
EE+Children	0	\$990.00	\$0	\$1,005.00	\$0
EE+Family	2	\$1,225.00	\$2,450	\$1,240.00	\$2,480
Caswell County					
EE Only	125	\$692.50	\$86,563	\$722.50	\$90,313
EE + Spouse	2	\$692.50	\$1,385	\$722.50	\$1,445
EE+Child	3	\$692.50	\$2,078	\$722.50	\$2,168
EE+Children	0	\$692.50	\$0	\$722.50	\$0
EE+Family	2	\$692.50	\$1,385	\$722.50	\$1,445
Total					
Total Monthly			\$104,900		\$110,840
Total Annual			\$1,258,800		\$1,330,080
					5.66%
Employee Annual			\$161,880		\$185,640
Caswell County Annual			\$1,096,920		\$1,144,440

COMBINED PLANS

Total Monthly			\$198,360		\$210,060
Total Annual			\$2,380,320		\$2,520,720
					5.9%
Employee Annual			\$219,720		\$266,520
Caswell County Annual			\$2,160,600		\$2,254,200

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



EE \$30.00/CC \$15.00 Increase BASE PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$762.50	\$95,313
EE + Spouse	1	\$1,447.50	\$1,448	\$1,492.50	\$1,493
EE+Child	2	\$1,162.50	\$2,325	\$1,207.50	\$2,415
EE+Children	0	\$1,617.50	\$0	\$1,662.50	\$0
EE+Family	0	\$1,842.50	\$0	\$1,887.50	\$0
Employee					
EE Only	125	\$25.00	\$3,125	\$55.00	\$6,875
EE + Spouse	1	\$755.00	\$755	\$785.00	\$785
EE+Child	2	\$470.00	\$940	\$500.00	\$1,000
EE+Children	0	\$925.00	\$0	\$955.00	\$0
EE+Family	0	\$1,150.00	\$0	\$1,180.00	\$0
Caswell County					
EE Only	125	\$692.50	\$86,563	\$707.50	\$88,438
EE + Spouse	1	\$692.50	\$693	\$707.50	\$708
EE+Child	2	\$692.50	\$1,385	\$707.50	\$1,415
EE+Children	0	\$692.50	\$0	\$707.50	\$0
EE+Family	0	\$692.50	\$0	\$707.50	\$0
Total					
Total Monthly			\$93,460		\$99,220
Total Annual			\$1,121,520		\$1,190,640
Employee Annual			\$57,840		\$103,920
Caswell County Annual			\$1,063,680		\$1,086,720

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year
July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



EE \$30.00/CC \$15.00 Increase BUY UP PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$800.50	\$100,063
EE + Spouse	2	\$1,502.50	\$3,005	\$1,547.50	\$3,095
EE+Child	3	\$1,207.50	\$3,623	\$1,252.50	\$3,758
EE+Children	0	\$1,682.50	\$0	\$1,727.50	\$0
EE+Family	2	\$1,917.50	\$3,835	\$1,962.50	\$3,925
Employee					
EE Only	125	\$63.00	\$7,875	\$93.00	\$11,625
EE + Spouse	2	\$810.00	\$1,620	\$840.00	\$1,680
EE+Child	3	\$515.00	\$1,545	\$545.00	\$1,635
EE+Children	0	\$990.00	\$0	\$1,020.00	\$0
EE+Family	2	\$1,225.00	\$2,450	\$1,255.00	\$2,510
Caswell County					
EE Only	125	\$692.50	\$86,563	\$707.50	\$88,438
EE + Spouse	2	\$692.50	\$1,385	\$707.50	\$1,415
EE+Child	3	\$692.50	\$2,078	\$707.50	\$2,123
EE+Children	0	\$692.50	\$0	\$707.50	\$0
EE+Family	2	\$692.50	\$1,385	\$707.50	\$1,415
Total					
Total Monthly			\$104,900		\$110,840
Total Annual			\$1,258,800		\$1,330,080
					5.66%
Employee Annual			\$161,880		\$209,400
Caswell County Annual			\$1,096,920		\$1,120,680

COMBINED PLANS

Total Monthly			\$198,360		\$210,060
Total Annual			\$2,380,320		\$2,520,720
					5.9%
Employee Annual			\$219,720		\$313,320
Caswell County Annual			\$2,160,600		\$2,207,400

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



Cost Shared 50/50 BASE PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$717.50	\$89,688	\$763.50	\$95,438
EE + Spouse	1	\$1,447.50	\$1,448	\$1,493.50	\$1,494
EE+Child	2	\$1,162.50	\$2,325	\$1,208.50	\$2,417
EE+Children	0	\$1,617.50	\$0	\$1,663.50	\$0
EE+Family	0	\$1,842.50	\$0	\$1,888.50	\$0
Employee					
EE Only	125	\$25.00	\$3,125	\$48.00	\$6,000
EE + Spouse	1	\$755.00	\$755	\$778.00	\$778
EE+Child	2	\$470.00	\$940	\$493.00	\$986
EE+Children	0	\$925.00	\$0	\$948.00	\$0
EE+Family	0	\$1,150.00	\$0	\$1,173.00	\$0
Caswell County					
EE Only	125	\$692.50	\$86,563	\$715.50	\$89,438
EE + Spouse	1	\$692.50	\$693	\$715.50	\$716
EE+Child	2	\$692.50	\$1,385	\$715.50	\$1,431
EE+Children	0	\$692.50	\$0	\$715.50	\$0
EE+Family	0	\$692.50	\$0	\$715.50	\$0
Total					
Total Monthly			\$93,460		\$99,348
Total Annual			\$1,121,520		\$1,192,176
Employee Annual			\$57,840		\$93,168
Caswell County Annual			\$1,063,680		\$1,099,008

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

Caswell County

NCHIP Funding Rates 2024/2025 Plan Year

July 1, 2025 through June 30, 2026

North Carolina Health Insurance Pool

In association with



Cost Shared 50/50 BUY UP PLAN

Rate Tier	Count	July 1, 2024 through June 30, 2025		July 1, 2025 through June 30, 2026	
		Current		Renewal	
		NCHIP Funding Rate	Monthly Funding @ NCHIP Rates	NCHIP Funding Rate	Monthly Funding @ NCHIP Rates
TOTAL FUNDING RATE					
EE Only	125	\$755.50	\$94,438	\$801.50	\$100,188
EE + Spouse	2	\$1,502.50	\$3,005	\$1,548.50	\$3,097
EE+Child	3	\$1,207.50	\$3,623	\$1,253.50	\$3,761
EE+Children	0	\$1,682.50	\$0	\$1,728.50	\$0
EE+Family	2	\$1,917.50	\$3,835	\$1,963.50	\$3,927
Employee					
EE Only	125	\$63.00	\$7,875	\$86.00	\$10,750
EE + Spouse	2	\$810.00	\$1,620	\$833.00	\$1,666
EE+Child	3	\$515.00	\$1,545	\$538.00	\$1,614
EE+Children	0	\$990.00	\$0	\$1,013.00	\$0
EE+Family	2	\$1,225.00	\$2,450	\$1,248.00	\$2,496
Caswell County					
EE Only	125	\$692.50	\$86,563	\$715.50	\$89,438
EE + Spouse	2	\$692.50	\$1,385	\$715.50	\$1,431
EE+Child	3	\$692.50	\$2,078	\$715.50	\$2,147
EE+Children	0	\$692.50	\$0	\$715.50	\$0
EE+Family	2	\$692.50	\$1,385	\$715.50	\$1,431
Total					
Total Monthly			\$104,900		\$110,972
Total Annual			\$1,258,800		\$1,331,664
					5.79%
Employee Annual			\$161,880		\$198,312
Caswell County Annual			\$1,096,920		\$1,133,352

COMBINED PLANS

Total Monthly			\$198,360		\$210,320
Total Annual			\$2,380,320		\$2,523,840
					6.0%
Employee Annual			\$219,720		\$291,480
Caswell County Annual			\$2,160,600		\$2,232,360

Signature – Caswell County

Date

Signature – Arthur J Gallagher

Date

future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Renee Paschal, County Manager

SUBJECT: FY 2024 Audit Contract with Thompson, Price, Scott, Adams & CO, P.A.

BACKGROUND INFORMATION:

As Caswell County is working to wrap up the work for the FY 2023 audit, staff recommends going ahead and executing a contract with our audit firm, Thompson, Price, Scott, Adams & CO, P.A. for FY 2024. This will allow the audit firm to begin work on FY 2024 and hopefully expedite the timeframe for having FY 2024 complete.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to approve the FY 2024 Audit Contract with Thompson, Price, Scott, Adams & CO, P.A.

FISCAL IMPACT:

The FY 2024 audit will cost \$4,500 more than the FY 2023 Audit, for a total cost of \$85,000. This amount includes \$2,000 for the Tourism Development Authority, which was not previously part of the audit.

Currently, the county has spent \$52,000 of the \$85,000 budgeted in FY 2025. A budget amendment will be placed on the February 17, 2025 agenda for approval.

ATTACHMENTS:

Contract with Thompson, Price, Scott, Adams & CO, P.A.

The	Governing Board BOARD OF COMMISSIONERS
of	Primary Government Unit CASWELL COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable) CASWELL COUNTY TOURISM DEVELOPMENT AUTHORITY

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

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

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 06/30/25
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Must be within four months of FYE

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
- At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FEEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:
Johnna Sharpe	Consultant	js@johnnasharpe.com

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

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

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

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

Primary Government Unit	CASWELL COUNTY
Audit Fee (financial and compliance if applicable)	\$ 76,000
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 7,000
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 83,000

Discretely Presented Component Unit	CASWELL COUNTY TOURISM DEVELOPMENT AUTHORITY
Audit Fee (financial and compliance if applicable)	\$ 2,000
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 0
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$ 2,000



January 28, 2025

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

To Management and Those Charged with Governance:

We are pleased to confirm our understanding of the services we are to provide Caswell County for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures to the financial statements, which collectively comprise the basic financial statements, of Caswell County as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Caswell County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Caswell County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Audit Procedures-Internal Controls

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

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

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

Audit Procedures-Compliance

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

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

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

Other Services

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

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

Responsibilities of Management for the Financial Statements and Single Audit

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

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

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

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by March 1, 2025.

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

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

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

Engagement Administration, Fees, and Other

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

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

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

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

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

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

Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit by approximately March 1, 2025, and to issue our reports no later than June 30, 2025. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, should not exceed \$85,000 (which includes the Tourism Development Authority). Also, any excessive additional fees incurred in obtaining required audit evidence (i.e., bank confirmations) will be billed directly to the Board. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on

anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

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

Reporting

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

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

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

Very truly yours,



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



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Renee Paschal, County Manager

SUBJECT: Adoption of Caswell County Fiscal Policy

BACKGROUND INFORMATION:

A draft fiscal policy was presented at the retreat and is reattached here. The county currently does not have a fiscal policy. Changes from current practice are highlighted in the attachment in yellow.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to approve the Caswell County Fiscal Policy.

FISCAL IMPACT:

Jurisdictions that have clear financial goals and policies and follow those are able to improve their financial condition.

ATTACHMENTS:

Proposed Caswell County Fiscal Policy with notes

Caswell County Fiscal Policy

Originally Proposed January 25, 2025

Caswell County will comply with NCGS Chapter 159: The Local Government Budget and Fiscal Control Act.

Caswell County has additional policies for purchasing, contracting, and use of procurement cards. Please see those policies for additional information.

FISCAL POLICY – PURPOSE

Caswell County government exists to meet the needs of residents through the services the County is mandated to provide or has elected to provide. To meet these needs, the County must maintain its financial integrity. The County's Fiscal Policy is intended to maintain and improve the County's financial condition and preserve its ability to meet future needs. This policy will be reviewed at least annually, and changes will be presented to the Board of Commissioners for approval. An effective policy:

- Contributes to the County's ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term credit worthiness and helps the County achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing a clear and consistent framework for budget and financial decisions,
- Directs attention to the total financial picture of the County, rather than single-issue areas,
- Links long-term financial planning with day-to-day operations, and
- Provides the County Staff, the County Board of Commissioners, and the County citizens a framework for measuring the fiscal impact of government services against established fiscal parameters.

To these ends, the following fiscal policy is adopted:

CAPITAL IMPROVEMENT PLAN (CIP) POLICIES

The county currently does not have a CIP process or policy or threshold for CIP projects. A \$50,000 threshold is proposed.

1. It is the responsibility of the County Board of Commissioners to provide for the capital equipment and facilities necessary to deliver county services to the residents of the County, as well as provide necessary capital equipment and facilities for the Caswell County Public Schools and the Piedmont Community College system.
2. North Carolina statutes charge the County Manager with preparation of the recommended capital budget. It shall be his/her responsibility or that of his/her designee to coordinate the CIP process; receive requests from County departments, Caswell County Public Schools, and Piedmont Community College; and propose a recommended CIP to the Board of Commissioners.

3. The Board of Commissioners is responsible for adopting a CIP annually and may amend it as needed.
4. All capital projects must be proposed through the County's CIP process.
5. The CIP includes all approved capital projects, including new construction, renovations, vehicles and heavy equipment, new software and other technology, and all other purchases and improvements that meet the threshold for definition as a capital project, currently \$50,000 and above.
6. The County will develop a CIP of at least seven years and review and update the plan annually. The Caswell County Public Schools and the Community College System are strongly encouraged to submit their needs through this process, along with prioritization of their requests.
7. After projects are approved in the CIP and before the project can begin, the project must be authorized through one of two means:
 - A. Capital project ordinances: A separate capital budget ordinance shall be submitted to the Board of Commissioners for approval for all capital projects that are projected to span more than one fiscal year.
 - B. All other capital projects will be budgeted in the operating budget.
8. All capital projects will be assigned a project code by the Finance Officer for tracking and reporting purposes.
9. The CIP will prioritize the maintenance of existing facilities and equipment, and otherwise protect the county's past capital investments. A maintenance and replacement schedule will be developed and followed as funding allows.
10. County departments will provide a written justification and identify the estimated project costs, potential funding sources, and impacts on the operating budget for each proposed capital project and include this information in their requests. The County Manager or his/her designee will review, modify as appropriate, and include this information in the recommended CIP.
11. The County will pursue the most cost-effective strategies for financing the CIP, consistent with prudent fiscal management.

DEBT POLICIES

The county does not currently have debt policies.

Caswell County will follow all requirements set forth by Local Government Commission, a division of the North Carolina Treasurer.

1. The County will confine long-term borrowing to critical capital projects that cannot be financed from current revenues unless financing results in a net financial benefit to the county.
2. The County will take a balanced approach to capital funding by utilizing capital reserves

and pay-as-you-go funding where possible. Pay-as-you-go funding will come from budgeted appropriations and funds set aside in capital reserves.

3. The county's capital funding strategy should result in the least fiscal impact on current and future taxpayers.
4. When the County finances capital projects by issuing bonds or entering capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be annually calculated and included in the review of financial trends.
5. Net debt as a percentage of estimated market value of taxable property shall not exceed 2.5%. Net debt is defined as all debt that is tax-supported.

The state mandates that debt cannot exceed 8% of assessed value. The proposed threshold is much lower.

6. Debt Service expenditures as a percent of total governmental fund expenditures should not exceed 15%. Should this ratio exceed 15%, staff must request an exception from the Board of Commissioners stating the justification and expected duration of the policy exception. Exceptions shall be reviewed and approved annually by the Board of Commissioners until compliance is achieved.

The Local Government Commission likes to see that debt service is no more than 15% of the operating budget.

7. The County will retire tax anticipation debt, if any, annually and will retire bond anticipation debt within six months after completion of the project.
8. Outstanding tax-supported debt principal shall be no less than 50.0% repaid in 10 years.

Another metric that the LGC likes to see.

9. Enterprise Debt Policies:
 - A. The Enterprise Fund is responsible for setting rates and charges at such a level which maintains the "self-supporting" nature of the fund, including capital costs.
 - B. The Enterprise Fund will comply with all applicable bond covenants.

Currently, enterprise funds do not cover future capital costs.

RESERVE POLICIES

Currently, the county has no policies on fund balance. This is probably the most important policy and metric when it comes to fiscal management and credit worthiness. Thresholds are proposed for the general fund: 15% minimum for unassigned with a 20% target and 30% for total fund balance; and for enterprise funds: 50% of operating and maintenance costs.

1. The County will maintain a minimum Unassigned Fund Balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 15% of General Fund Expenditures with a targeted Unassigned Fund Balance equal to 20% of General Fund Expenditures. The County will maintain a total fund balance, including debt reserves, of 30%
2. In the event that funds are available over and beyond the 20% targeted amount for unassigned fund balance, those funds may be transferred to a capital reserve fund, a capital projects fund, to pay down debt or to fund other one-time uses. Such transfers or

uses shall be approved by the Board of County Commissioners in conjunction with a staff recommendation based upon a fund balance analysis to be completed within six months of the close of each fiscal year taking into consideration the prior year's financial statements, current year-to-date budget performance, current property tax valuations and the County's most recently adopted capital improvements plan.

3. The County Board may, from time-to-time, utilize fund balances that will reduce Unassigned Fund Balance below the 15% minimum for the purposes of a declared fiscal emergency or other such purpose as to protect or enhance the long-term fiscal security of the County. In such circumstances, the Board will adopt a plan to restore the Unassigned Fund Balance to the target level within 36 months. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different but appropriate time period.
4. Enterprise Reserve Policies: The County has adopted a comprehensive strategy for the long-term stability and financial health of each Enterprise Fund that provides for annual increases in fund reserves to an established goal of 50% of operating and maintenance expenses.

BUDGET DEVELOPMENT POLICIES

The county currently has no policies on budget development. The budget ordinance does provide for powers of the budget officer/county manager. Where the proposed policy differs, a note is included below.

1. The County will manage its annual budget to meet its legal and debt obligations, ensure adequate funding of current service levels, meet the priorities of the Board of Commissioners, maintain the County's financial condition, and keep property tax increases to a minimum. The County shall operate under an annual balanced budget ordinance whereby the sum of net revenues and appropriated fund balances equals the expenditure appropriations.
2. The Budget Process will comply with the North Carolina Local Government Budget and Fiscal Control Act.
3. North Carolina statutes charge the County Manager with preparation of the recommended operating budget. It shall be his/her responsibility or that of his/her designee to coordinate the budget process; receive requests from County departments, Caswell County Public Schools, and Piedmont Community College; and propose a recommended budget to the Board of Commissioners.
4. The Board of Commissioners is responsible for adopting an annual operating budget and may amend it as needed.
5. Use of one-time revenues: One-time revenues should not support ongoing personnel and operating costs. Use of one-time revenues is appropriate for capital outlay, CIP projects, debt retirement, contribution to capital reserve, and other non-recurring expenses. Proceeds from the sale of surplus capital items will go into the County's general capital reserve unless proceeds are otherwise restricted.
6. The County will pursue an aggressive policy to collect current and delinquent property

taxes, licenses, permits and other revenues due to the County. The County will not waive any revenues due to the County unless those revenues were collected unlawfully.

The county currently has no policy on waiving revenue collection.

7. The Finance Officer will generate reports that show actual revenues and expenditures compared to the budget and will present this to the County Board of Commissioners monthly.
8. Budget amendments will be brought to the County Board of Commissioners for consideration as needed.
9. New or increased services: The County should ensure adequate funding of current services before funding new or enhanced services.
10. Mid-year appropriations: All agencies supported by the county must function within the resources made available to them through the annual budget. The county will consider requests for new or expanded programs during the regular budget process. Only in extreme circumstances will such requests be considered outside of the budget process.
11. Funding-of Outside Agencies: From time to time, the County may elect to provide services through nonprofit agencies if those services meet the standard for public purpose as defined by the NC Constitution and the services can be achieved more cost effectively through the nonprofit. To receive county funding, nonprofits must abide by the county's budget process and deadlines, provide the information requested during the budget process, and sign a funding contract.
12. Grants: The County will pursue federal, state, and private grants to enhance services to County residents. However, the County will limit its financial support of grant- funded programs to avoid commitments that continue beyond funding availability. The County will not continue programs after grants have expired, except as expressly approved by the Board of Commissioners as part of the annual budget process. The grant approval process will proceed as follows:
 - a. If a grant does not require any county match, either cash or in-kind, and the funder does not expect the county to continue to fund a position or a program after the grant, then the proposal can be reviewed and approved by the County Manager. However, the County Manager may choose to present a grant proposal to the Board for approval, if he/she feels that it is appropriate. This does not waive the requirement for a budget amendment to accept the revenue.
 - b. If the grant requires a county match, either cash or in-kind, or the funder expects the county to continue to fund a position or program after the grant is complete, then the grant application must be submitted to the Board of Commissioners for approval.

Currently, the budget ordinance is unclear. It gives the County Manager the authority to execute grant agreements, but does not explicitly require approval from the Board. If the grant obligates the county through a match or the expectation that the county will pick up the grant when funding expires, this policy makes it clear that the Board must approve.

- c. For grants that require Board of Commissioner approval, but approval cannot be

obtained before the grant deadline, the County Manager can authorize the application with prior notice to the Chair and Vice Chair and report to the Board of Commissioners at their next meeting. If the Board of Commissioners does not approve the grant proposal, the funder will be notified that the county chooses to withdraw the application.

- d. Departments shall be responsible for timely completion and filing of reports required by the grantor. Missing report deadlines shall be grounds for denying approval of future grant applications.
13. New positions: new positions for existing programs and services should be added when there is no other viable option. Alternatives, such as contracting, technology, and reassignment of duties should be fully explored and documented before new positions are funded.
 14. Level of budgeting: To tie costs to specific services, departments shall submit budgets for each of their divisions or program areas. Department heads are authorized to request transfers of operating funds between their budgeted divisions. The Budget Officer must approve transfers. The County shall adopt budgets at the department level. Commissioners reserve the right to review and/or adopt budgets at a greater level of detail.

The budget is currently adopted by division, not by department. This change gives department heads greater flexibility in maintaining their total budget. The Budget Ordinance currently gives the Budget Officer/County Manager authority to transfer up to \$25,000 between departments.

15. Justification for funding: Departments and agencies requesting funding from the county should justify their requests in terms of maintaining or increasing service levels. Departments should measure their performance in key service areas and periodically compare their performance to other jurisdictions to discover efficiencies and develop best management practices.
16. Contingency funds: Departments shall not include contingency funds in their respective budgets. The county shall include a general contingency fund in its annual budget. The amount of the contingency fund shall not exceed one percent of the annual budget.

Currently the budget does not contain contingency funds. I recommend using contingency as a way to manage "what-if" budget requests from departments. Essentially, these "what-ifs" are included in a central contingency managed by the County Manager. Transfers are only authorized when the are need. In other words, the department budget is not inflated by these "what-ifs" unless they come to reality.

17. Budget Officer: The County Manager serves as the budget officer. He/she is authorized to perform the following functions or delegate them:
 - a. Transfer funds within a department without limitation.
 - b. Transfer amounts of up to \$25,000 between departments of the same fund with a memorandum report on such transfers at the next regular meeting of the Board of Commissioners.

- c. Transfer amounts of up to \$25,000 from contingency to any department with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners. Greater amounts can be made available upon the agreement of the Board of Commissioners.

Since the county currently has no contingency, no authority is provided for transfers.

- d. Employ temporary help from time to time to meet circumstances.

The county currently has no explicit authority for this.

- e. Execute contracts if funds for the contract have been approved as part of the annual budget and the contract does not exceed the funds appropriated, the contract's term does not exceed one year, all applicable state laws and county policies regarding purchasing are followed, and the contract does not exceed \$25,000.
- f. Execute leases if funds have been approved as part of the annual budget and the lease does not exceed the funds appropriated, the lease term does not exceed one year, and the lease does not exceed \$50,000.
- g. Execute on behalf of the Board of Commissioners any other contract, change order, purchase order or other instrument incurring any obligation which is specifically approved by the Board of Commissioners.

This provision explicitly gives the manager authority to execute (sign) all contracts approved by the board. This is to improve efficiency and timeliness of contract execution.

- h. Authorize payment in an amount not to exceed \$5,000 in settlement of any liability claims against the County or against any of its officers or employees.

The county does not currently have this provision.

18. Enterprise Funds:

- a. The County maintains Enterprise Funds (solid waste and Caswell Area Transit System) that are self-sustaining for both operational and capital purposes. The Enterprise Funds will adhere to the County Fiscal Policy with any exceptions noted in the policy.
- b. Any improvements required to meet new regulatory requirements or to meet changes in the service demands will be included in either the capital improvement plan or the annual budget request, depending on the cost of the improvement.
- c. Service rates:
 - i. Service rates will be reviewed annually as part of the budget process.
 - ii. Service rates will be adjusted as needed to provide adequate funding for the proper operation, maintenance, and expansion of the system.
 - iii. Service rates will be adjusted as necessary to meet bond covenants, debt service obligations, and the Adopted Fiscal Policy.

CASH MANAGEMENT/ INVESTMENT POLICIES

Currently, Caswell County has no cash management policy.

1. It is the intent of the County that public funds will be invested in interest bearing accounts to the extent possible to reduce the dependence upon property tax revenues. Funds will be invested with the chief objectives of safety of principal, liquidity, and yield, in that order. All deposits and investments of County funds will be in accordance with N.C.G.S. 159.
2. Up to one-half (50%) of the appropriations to Non-County Agencies and to non-debt supported capital outlays for County Departments can be encumbered prior to December 31. Any additional authorization shall require the County Manager's written approval upon justification. The balance of these appropriations may be encumbered after January 1, upon a finding by the County Manager that there is a reasonable expectation that the County's Budgeted Revenues will be realized.
3. The County will use a Central Depository to maximize the availability and mobility of cash for all funds that can be legally combined.
4. Cash Flows will be forecasted, and investments will be made to mature when funds are projected to be needed to meet cash flow requirements.
5. Liquidity: No less than 20% of funds available for investment will be maintained in liquid investments at any point in time.
6. Maturity: All investments will mature in no more than sixty (60) months from their purchase date.
7. Custody: All investments will be purchased "payment-verses-delivery" and if certificated will be held by the Finance Officer in the name of the County. All non-certificated investments will be held in book-entry form in the name of the County with the County's third-party Custodian (Safekeeping Agent).
8. Authorized Investments: The County may deposit County Funds into: Any Board approved Official Depository if such funds are secured in accordance with NCGS 159-01 and 159-31. The County may invest idle funds in the North Carolina Capital Management Trust, North Carolina Investment Pool, US Treasury Securities, US Agency Securities specifically authorized in GS-159 and rated no lower than "AAA", and Commercial Paper meeting the requirements of NCGS-159 plus having a national bond rating.
9. Diversification: No more than 25% of the County's investment funds may be invested in commercial paper.
10. Allocation: Investment income will be allocated to each participating fund or account based on a fair and equitable formula determined by the Finance Officer.

SUMMARY OF KEY POLICY RATIOS

Ratio	Target
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Tax Supported Debt to Assessed Value:	<2.5%
Tax Supported Debt Service vs. Expenditures:	<15.0%
Tax Supported 10- Year Payout Ratio:	>50.0%
General Fund Unassigned Fund Balance as a Percent of Operating Budget:	>15.0%
Enterprise Fund Reserves as a Percent of Operating and Maintenance:	>50%



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Renee Paschal, County Manager

SUBJECT: Board Goals for FY 2026

BACKGROUND INFORMATION:

The Board of Commissioners met on January 25, 2025 to discuss its goals for the upcoming year (FY 2026). The facilitators for the retreat have developed the attached report summarizing the board's long and short-term goals.

The County Manager will hold a budget kickoff with departments on February 5, 2025. It would be helpful if the board of commissioners could confirm these goals so that information can be shared with departments to be used in developing their budgets.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Staff recommends the board reach a consensus on the long and short-term goals described in the attached Caswell County Board Priorities Report or make modifications.

FISCAL IMPACT:

ATTACHMENTS:

Caswell County Board Priorities Report

Caswell County Board Priorities Report

Introduction

This document outlines the Board of Commissioners' priorities following the 2025 Board Retreat. The priorities are categorized under the six established focus areas and aligned with supporting data from the *Caswell By the Numbers* presentation to provide context for decision-making.

Economic Development

Direct Responsibility	Partners	Existing Plans
CATS NC Cooperative Extension Soil & Water Conservation Economic Development	Town of Yanceyville (Water & Sewer) State Department of Commerce City of Danville (Water & Sewer) Broadband Providers	Economic Incentives
Challenges		Board's Role
Controlled economic growth that maintains rural nature Improving County's image Infrastructure needs Increasing tax base		Work together as a Board Enhance public / private partnerships Work together with the community / municipal partners Work with the state

Supporting Data:

- Approximately 10 percent of the County's population lives within Yanceyville and Milton which means county will be primary driver of economic growth
- Caswell County's GDP decreased by 1% from 2018-2023; the median NC county increased by 6%.
- Caswell's median age is 45.2 years, higher than 74 other counties
- Per capita income remains below the statewide average.
- Education levels are lower than the state average
- 10% of Caswell resident work outside the County

Short-Term Priorities:

- Create an economic development strategy (seek assistance from the Dept. of Commerce).
- Update the County's Land Use Plan.
- Develop a water and sewer plan that align with economic development strategy and land use plan

Long-Term Priorities:

- Identify large tracts of land for economic development projects/park expansion.
- Consider construction of a shell building through a public/private partnership.

Public Safety

Direct Responsibility	Partner	Existing Plans
Sheriff's Office Emergency Management Fire Marshal EMS Emergency Communications (911)	State & Federal Agencies JCPC Court System Volunteer Fire Depts Town of Yanceyville Public Schools	Emergency Mgmt Plan(s)

Challenges	Board's Role
Recruitment and retention for Sheriff, EMS, 911 Volunteers for rural fire departments	Establishing competitive pay and benefits

Supporting Data:

- Workforce retention is a challenge in the county, especially for critical services such as emergency response.

Short-Term Priorities:

- Conduct a salary study to address recruitment and retention challenges.
- Obtain data on the Volunteer Fire Service regarding response times, mutual response, etc.
- Engage with the Volunteer Fire Departments regarding challenges in recruitment, funding, and response capacity.
- Explore an Apprenticeship Program to recruit and train youth for public safety careers.

Human Services

Direct Responsibility	Partner	Existing Plans or Initiatives
Public Health Social Services (DSS) Family Services Section 8 Housing Library Parks & Recreation	State & Federal Agencies Schools Health Care Providers Local Management Entity/Managed Care Organization Faith and Nonprofit Organizations / Outreach Ministries Second Harvest	Opioid Strategic Plan NC DHHS MOA Community Health Assessment (CHA)

Challenges	Board's Role
Support for youth and seniors Needs vulnerable populations	Leadership on Health and DSS Boards

Supporting Data:

- Those living with Food Insecurity averages 14%
- Children living in poverty averages 25% and is slightly higher than neighboring communities
- Medicaid enrollment has increased while the number of uninsured residents has remained stable.

Short-Term Priorities:

- Revisit the Opioid Strategic Plan to Board consideration to implement identified strategic initiatives.
- Seek assistance from NCACC in advancing the Opioid Strategic Plan.
- Explore, understand, and consider the pros/cons of consolidating Health and Human Services.

Education

Direct Responsibility	Partner	Existing Plans or Initiatives
Public Schools Operational Funding Caswell County Libraries Facilities for K-12 and Community College	Caswell County Board of Education Piedmont Community College Private/Home Schools	CEAD – Center for Educational and Agricultural Development

Challenges	Board's Role
Attracting graduates to stay and work in Caswell	Statutory- facilities and local current expense funding Communications between Board of Education & Commissioners

Supporting Data:

- Third grade reading proficiency rates have stabilized, but challenges remain.
- Graduation rates remain steady but continue to lag state averages.

Short-Term Priorities:

- Reengage recurring joint meetings with the Board of Education.
- Set an expectation with the Board of Education and Community College to develop a Comprehensive Capital Improvement Plan to support capital requests.

Active & Vibrant Living

Direct Responsibility	Partner	Existing Plans or Initiatives
Parks & Recreation Caswell County Library NC Cooperative Extension	Tourism Development Authority Arts Council Landowners – hunting opportunities Others??	

Challenges	Board's Role
Funding for youth programs	Promote activities that enhance the quality of life

Supporting Data:

- Caswell County residents value community identity and rural character.
- Infrastructure for recreation and public spaces remains an area of potential improvement.

Short-Term Priorities:

- Evaluate Parks and Recreation services, including a review of the fee structure.

County Operations

Direct Responsibility	Partner	Existing Plans or Initiatives
Parks & Recreation Caswell County Library NC Cooperative Extension	Tourism Development Authority Arts Council Landowners – hunting opportunities Others??	

Challenges	Board's Role
Overdue audits Hiring a qualified county manager Retain finance officer Effective communications to residents of what they need and want to know	Leadership and clear direction Investment in qualified staff Future planning

Supporting Data:

- Citizens express a desire for clearer government communication and engagement opportunities.

Short-Term Priorities:

- Completed 2023 and 2024 audits as soon as possible
- Complete recruitment of County Manager by June 1
- Develop a communications strategy to proactively share county information.
- Consider methods of obtaining community input to improve transparency and decision-making.



AGENDA FORM

TO: Caswell County Board of Commissioners

FROM: Renee Paschal, County Manager

SUBJECT: Leasing the Health Department Community Alternatives Program (CAP) space in Co-Square

BACKGROUND INFORMATION:

In March 2022, the Board of Commissioners approved the lease of space for the CAP program at 2254 NC 86, Yanceyville. The lease is up the first of March, 2025.

The Health Department pays \$1,850 per month in rent plus approximately \$475 per month in utilities and \$244 per month for internet. The cost of the program is covered by Medicaid revenue and fund balance.

As we have discussed, membership is down in Co-Square. By moving the CAP program to Co-Square, the county would be able to generate revenue through the rent payment covered by Medicaid. The county already covers utility costs for Co-Square. This would also increase traffic in Co-Square and help publicize its availability.

The Health Director would like to rent four adjacent offices. Currently, those offices rent for \$2,850 per month combined. We are proposing to set the rental cost at the same amount (\$1,850) CAP currently pays in rent plus the cost of utilities and internet, or \$2,500 per month.

STAFF RECOMMENDATION, IF APPLICABLE:

N/A

RECOMMENDED ACTION/MOTION:

Motion to rent four Co-Square Suites (6, 7, 10 and 11) at a cost of \$2,500 per month.

FISCAL IMPACT:

If the spaces were rented, the county could realize an additional \$350 per month. But those spaces have not been rented for some time. The county will realize \$30,000 in revenue for Co-Square annually.

ATTACHMENTS: