

**CASWELL COUNTY
BOARD OF EDUCATION
Yanceyville, North Carolina**

*Financial Statements
For the Fiscal Year Ended
June 30, 2021*

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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Caswell County Board of Education
Yanceyville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caswell County Board of Education, as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caswell County Board of Education as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 10 and the Schedule of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedule of Board Contributions on pages 51 through 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caswell County Board of Education's basic financial statements. The individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards as required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2021 on our consideration of the Caswell County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caswell County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

October 21, 2021
West End, North Carolina
(910) 603-0508

CASWELL COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Caswell County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2021. This information should be read in conjunction with the audited financial statements included in this report.

Impact of Coronavirus on District

During the fiscal year, the State and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

Financial Highlights

- For the fiscal year ended June 30, 2021, the Board's total government wide net position increased by \$16.4 million.
- General fund balance increased by \$56,000 and the Other Special Revenue fund balance increased \$160,000.
- The Board's average daily membership (ADM) for the fiscal year ended June 30, 2021 was 2,224 students, a decrease of 122 students from the 2020 ADM of 2,346.

Overview of the Financial Statements

The audited financial statements of the Caswell County Board of Education consist of five components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (assets) and the Schedules of Board Contributions.*
- *Supplemental section that presents budgetary schedules for governmental and enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, deferred inflows of resources and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal

CASWELL COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

year. The proprietary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the Board's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets and liabilities. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School food service and childcare services are included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Caswell County Board of Education has three types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between them. The Board has several

**CASWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Caswell County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Caswell County Board of Education has one fiduciary fund – the Administrative Fund, which is a scholarship fund under the control of the administrative unit. This is accounted for as a private purpose trust fund.

The fiduciary fund statements are shown as Exhibits 10 and 11.

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows exceeded liabilities and deferred inflows by \$2.8 million as of June 30, 2021 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$13.6 million as of June 30, 2020, an increase of \$16.4 million. The largest component of net position is net investment in capital assets of \$38.7 million.

Following is a summary of the Statement of Net Position at June 30, 2021 and 2020:

**CASWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 1
Condensed Statement of Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Current assets	\$ 5,209,501	\$ 5,403,539	\$ 500,678	\$ 711,399	\$ 5,710,179	\$ 6,114,938
Capital assets	<u>38,896,800</u>	<u>23,743,196</u>	<u>7,398</u>	<u>13,127</u>	<u>38,904,198</u>	<u>23,756,323</u>
Total assets	<u>44,106,301</u>	<u>29,146,735</u>	<u>508,076</u>	<u>724,526</u>	<u>44,614,377</u>	<u>29,871,261</u>
Deferred outflows of resources	<u>6,887,009</u>	<u>7,383,002</u>	<u>254,637</u>	<u>260,553</u>	<u>7,141,646</u>	<u>7,643,555</u>
Current liabilities	1,687,672	2,201,047	47,935	38,556	1,735,607	2,239,603
Long-term liabilities	<u>32,780,878</u>	<u>36,189,103</u>	<u>1,210,390</u>	<u>1,303,669</u>	<u>33,991,268</u>	<u>37,492,772</u>
Total liabilities	<u>34,468,550</u>	<u>38,390,150</u>	<u>1,258,325</u>	<u>1,342,225</u>	<u>35,726,875</u>	<u>39,732,375</u>
Deferred inflows of resources	<u>12,733,082</u>	<u>10,993,338</u>	<u>470,783</u>	<u>387,966</u>	<u>13,203,865</u>	<u>11,381,304</u>
Net investment in capital assets	38,707,832	23,743,196	7,398	13,127	38,715,230	23,756,323
Restricted net position	1,737,560	1,438,674	2,935	3,444	1,740,495	1,442,118
Unrestricted net position (deficit)	<u>(36,653,714)</u>	<u>(38,035,621)</u>	<u>(976,728)</u>	<u>(761,683)</u>	<u>(37,630,442)</u>	<u>(38,797,304)</u>
Total net position (deficit)	<u>\$ 3,791,678</u>	<u>\$ (12,853,751)</u>	<u>\$ (966,395)</u>	<u>\$ (745,112)</u>	<u>\$ 2,825,283</u>	<u>\$ (13,598,863)</u>

The net position of the Board's governmental activities increased \$16.6 million during the year, from \$(12.9) million at June 30, 2020 to 3.8 million at June 30, 2021, indicating an improvement in the financial condition of the Board. Net investment in capital assets increased by \$15.0 million, restricted net position increased by \$299,000 and unrestricted net position increased by \$1.4 million. The increase in net investment in capital assets is due to an excess of capital additions over depreciation for the year due to construction of the Bartlett Yancey High School annex. Restricted net position increased due primarily to increased fund balance related to Medicare. Unrestricted net position increased \$1.4 million from a negative \$38.0 million to a negative \$36.7 million primarily because of increased fund balance and a decrease in pension and OPEB expenses in the current year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$221,000 during the year, from \$(745,000) at June 30, 2020 to \$(966,000) as of June 30, 2021. This decrease of \$221,000 is the net loss generated by our School Food Service fund as the Child Care fund did not operate during the 2021 fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**CASWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 397,915	\$ 609,486	\$ 3,748	\$ 200,605	\$ 401,663	\$ 810,091
Operating grants and contributions	19,535,416	19,898,866	747,801	1,348,070	20,283,217	21,246,936
Capital grants and contributions	188,968	42,927	-	4,320	188,968	47,247
General revenues:						
County appropriations	7,187,503	3,757,154	-	-	7,187,503	3,757,154
State appropriations	11,346,752	2,625,262	-	-	11,346,752	2,625,262
Other revenues	<u>2,461,786</u>	<u>2,737,036</u>	<u>15,019</u>	<u>7,493</u>	<u>2,476,805</u>	<u>2,744,529</u>
Total revenues	<u>41,118,340</u>	<u>29,670,731</u>	<u>766,568</u>	<u>1,560,488</u>	<u>41,884,908</u>	<u>31,231,219</u>
Expenses:						
Governmental activities:						
Instructional services	18,353,927	20,433,369	-	-	18,353,927	20,433,369
System-wide support services	5,567,695	6,283,753	-	-	5,567,695	6,283,753
Ancillary services	177,072	80,434	-	-	177,072	80,434
Payments to other governments	228,561	218,916	-	-	228,561	218,916
Unallocated depreciation	73,852	68,729	-	-	73,852	68,729
Business-type activities:						
School food service	-	-	1,060,652	1,688,140	1,060,652	1,688,140
Child care	-	-	(997)	45,498	(997)	45,498
Total expenses	<u>24,401,107</u>	<u>27,085,201</u>	<u>1,059,655</u>	<u>1,733,638</u>	<u>25,460,762</u>	<u>28,818,839</u>
Transfers in (out)	<u>(71,804)</u>	<u>(99,760)</u>	<u>71,804</u>	<u>99,760</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	16,645,429	2,485,770	(221,283)	(73,390)	16,424,146	2,412,380
Beginning net position (deficit)	<u>(12,853,751)</u>	<u>(15,339,521)</u>	<u>(745,112)</u>	<u>(671,722)</u>	<u>(13,598,863)</u>	<u>(16,011,243)</u>
Ending net position (deficit)	<u>\$ 3,791,678</u>	<u>\$ (12,853,751)</u>	<u>\$ (966,395)</u>	<u>\$ (745,112)</u>	<u>\$ 2,825,283</u>	<u>\$ (13,598,863)</u>

CASWELL COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Total governmental activities generated revenues of \$41.1 million while expenses in this category totaled \$24.4 million for the year ended June 30, 2021, resulting in an increase in net position of \$16.6 million (including transfers out to business-type activities of \$72,000). Comparatively, revenues were \$29.7 million, expenses totaled \$27.1 million and transfers out were \$100,000 for the year ended June 30, 2020, resulting in an increase in net position of \$2.5 million. In comparing the two years, revenues increased \$11.4 million and expenses decreased by \$2.7 million. The overall increase in revenues is primarily attributable to a \$12.2 million increase in the Capital Outlay fund as the Board began construction on the Bartlett Yancey Senior High School annex which is being funded by lottery, ADM and Bond funds. The overall decrease in expenses is largely attributable to cost savings resulting from closing in person instruction in favor of virtual learning for most of the year due to the Coronavirus pandemic as well as a decrease in pension and OPEB expenses of \$1.0 million. See the footnotes for detailed information regarding pension and OPEB related amounts and disclosures.

The Board's primary sources of revenues were funding from the State of North Carolina, Caswell County, and the United States Government, which respectively comprised 73.1%, 17.3% and 7.3% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 75.2% of our total expenses during the most recent fiscal year. Of the remaining 24.8% of our total expenses, 22.8% was attributable to system-wide support services.

Our business-type activities generated revenues of \$767,000, while expenses in this category totaled \$1.1 million, for the year ended June 30, 2021. For the year, net position decreased by \$221,000 (including transfers in of \$72,000). Comparatively, revenues were \$1.6 million; expenses were \$1.7 million and transfers in were \$100,000 for the year ended June 30, 2020, resulting in a decrease in net position of \$73,000. In comparing the two years, revenues decreased by \$794,000 while expenses decreased by \$674,000. Due to the COVID-19 pandemic, students were not in the classroom for the majority of the year and instruction was provided remotely. Meal service during the year was primarily conducted by delivering meals to students throughout the County. This resulted in fewer meals being served during year, as well as a significant decline in revenues from supplemental sales. As would be expected with the decline in meals served, food costs and salaries and benefits also decreased during the year which contributed to the overall decrease in expenses.

Financial Analysis of the Board's Funds

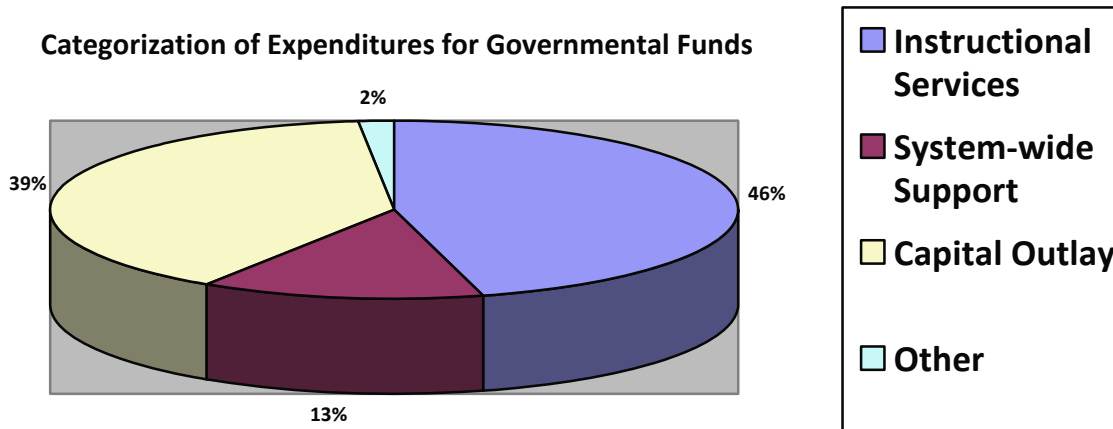
Governmental Funds: The focus of Caswell County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$4.3 million at June 30, 2021, an increase of \$369,000 from the amount reported at June 30, 2020. The General, Other Special Revenue, Capital Outlay and Individual Schools funds all reported increases in fund balance for the year. Overall, total governmental fund revenues increased by \$11.5 million while total expenditures increased by \$11.6 million over the prior year. The increase in revenues and expenditures is attributable primarily due to an increase in the Capital Outlay fund related to the construction started on the new High School which is being funded by lottery ADM and Bond funds. There was also an increase in the Federal Grants fund related to Education Stabilization funds received to offset the cost of providing virtual learning during the COVID-19 pandemic. These increases in revenues were offset by a decrease in the State Public School fund due to a decrease in Support Services related to transportation of students.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2021 to 2020, the State Public School Fund reported a decrease in revenues (and expenditures) of only \$1.2 million, or 5.9%, due to a decrease in System Wide Support services related to savings recognized in the transportation department because of virtual learning for most of the year as well as a decrease in textbook funds used in the previous year not repeated in the fiscal year 2021. The Federal Grants Fund reported an increase of \$667,000, or 37.0% due to receipt of Education Stabilization funds received to offset the cost of the COVID-19 pandemic.

**CASWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type funds, the School Food Service Fund and the Child Care Fund, reported a combined decrease in net position of \$221,000 for the fiscal year ended June 30, 2021 compared to a decrease of \$73,000 for the same 2020 period. Net loss in the School Food Service Fund (including transfers in) was \$222,000 for the fiscal year ended June 30, 2021 compared to a net loss of \$75,000 for 2020, a decline of \$147,000. The Child Care Fund reported a net income of \$1,000 in 2021 compared to a net income of \$2,000 in 2020; there were no child care fees received in the current year as the program was closed all year due to the Coronavirus pandemic.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. The Board's General Fund reported an increase in fund balance for the year ended June 30, 2021 of \$56,000, compared to a decrease of \$312,000 in 2020. Revenues increased by \$32,000 due to an increase in indirect costs charged to various federal programs. Expenditures and transfers out decreased by \$336,000 from the prior year, due to the previous year transfer from the General fund of \$510,000 to the Other Special Revenue fund, in order to move the fund balance associated with the programs transferred to the Other Special Revenue fund. Through effective cost-containment and budget management practices, the Board was able to keep expenditures below budget and not use any of the \$72,500 fund balance appropriated in the current year.

Capital Assets

Total primary government capital assets were \$38.9 million at June 30, 2021 compared to \$23.8 million at June 30, 2020, an increase of 63.8%. The increase is attributable to an excess of capital additions related to the High School annex over depreciation expense for the year. More detailed information about the Board's capital assets is contained in Note 2 - Detail Notes to the basic financial statements.

**CASWELL COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2021 and 2020:

**Table 3
Summary of Capital Assets
As of June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/20</u>
Land	\$ 1,300,521	\$ 1,300,521	\$ -	\$ -	\$ 1,300,521	\$ 1,300,521
Construction in progress	17,001,414	3,230,197	-	-	17,001,414	3,230,197
Buildings and improvements	19,484,458	18,524,027	-	-	19,484,458	18,524,027
Equipment and furniture	558,033	319,753	7,398	13,127	565,431	332,880
Vehicles	552,374	368,698	-	-	552,374	368,698
Total	<u>\$ 38,896,800</u>	<u>\$ 23,743,196</u>	<u>\$ 7,398</u>	<u>\$ 13,127</u>	<u>\$ 38,904,198</u>	<u>\$ 23,756,323</u>

Debt Outstanding

During the year, the Board's long-term debt increased from \$0 at June 30, 2020 to \$189,000 at June 30, 2021. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board's outstanding debt is contained in Note 2 to the basic financial statements.

Economic Factors

The Board anticipates decreased enrollment over the next several years and will continue to need highly qualified teachers, technology, and equipment to increase student opportunities and achievement. County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the school district. The following factors have affected the economic outlook of Caswell County.

- Caswell County's population estimation of approximately 23,650 is a decrease of approximately 0.3% since 2010.
- The unadjusted unemployment rate in Caswell County at June 30, 2021 was 5.5%, slightly above that of the State at 4.9%.

Requests for Information

This report is intended to provide a summary of the financial condition of Caswell County Board of Education. Questions or requests for additional information should be addressed to:

Dr. Sandra Carter
Superintendent
Caswell County Board of Education
P.O. Box 160
Yanceyville, NC 27379

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CASWELL COUNTY SCHOOLS
STATEMENT OF NET POSITION
June 30, 2021

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 1,069,266	\$ 26,256	\$ 1,095,522
Investments	3,345,206	330,219	3,675,425
Due from other governments	713,739	41,428	755,167
Receivables	2,953	217	3,170
Net OPEB asset	37,363	1,382	38,745
Inventories	-	101,176	101,176
Prepays	40,974	-	40,974
Capital assets:			
Land and construction in progress	18,301,935	-	18,301,935
Other capital assets, net of depreciation	20,594,865	7,398	20,602,263
Total capital assets	<u>38,896,800</u>	<u>7,398</u>	<u>38,904,198</u>
 Total assets	 <u>44,106,301</u>	 <u>508,076</u>	 <u>44,614,377</u>
 Deferred Outflows of Resources	 <u>6,887,009</u>	 <u>254,637</u>	 <u>7,141,646</u>
Liabilities			
Accounts payable and accrued expenses	181,505	4,611	186,116
Accrued salaries and wages payable	721,854	-	721,854
Unearned revenue	-	10,857	10,857
Long-term liabilities:			
Due within one year	784,313	32,467	816,780
Due in more than one year	1,086,095	38,531	1,124,626
Net pension liability	10,539,688	389,686	10,929,374
Net OPEB liability	<u>21,155,095</u>	<u>782,173</u>	<u>21,937,268</u>
 Total liabilities	 <u>34,468,550</u>	 <u>1,258,325</u>	 <u>35,726,875</u>
 Deferred Inflows of Resources	 <u>12,733,082</u>	 <u>470,783</u>	 <u>13,203,865</u>
Net position			
Investment in capital assets	38,707,832	7,398	38,715,230
Restricted for:			
Stabilization by State statute	2,953	-	2,953
School capital outlay	885,491	-	885,491
Special revenue programs	592,671	-	592,671
Individual schools activities	177,098	-	177,098
DIPNC OPEB plan	79,347	2,935	82,282
Unrestricted (deficit)	<u>(36,653,714)</u>	<u>(976,728)</u>	<u>(37,630,442)</u>
 Total net position (deficit)	 <u>\$ 3,791,678</u>	 <u>\$ (966,395)</u>	 <u>\$ 2,825,283</u>

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

FUND FINANCIAL STATEMENTS

CASWELL COUNTY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 175,928	\$ -	\$ -	\$ 357,679	\$ 396,477	\$ 139,182	\$ 1,069,266
Investments	2,567,329	-	-	250,003	489,958	37,916	3,345,206
Due from other governments	-	645,865	67,874	-	-	-	713,739
Accounts receivable	2,953	-	-	-	-	-	2,953
Prepays	40,974	-	-	-	-	-	40,974
Total assets	\$ 2,787,184	\$ 645,865	\$ 67,874	\$ 607,682	\$ 886,435	\$ 177,098	\$ 5,172,138
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 159,320	\$ -	\$ 21,000	\$ 241	\$ 944	\$ -	\$ 181,505
Accrued salaries and wages payable	-	645,865	46,874	29,115	-	-	721,854
Total liabilities	159,320	645,865	67,874	29,356	944	-	903,359
Fund balances:							
Nonspendable:							
Prepays	40,974	-	-	-	-	-	40,974
Restricted:							
Stabilization by State statute	2,953	-	-	-	-	-	2,953
School capital outlay	-	-	-	-	885,491	-	885,491
Special revenue programs	-	-	-	592,671	-	-	592,671
Individual schools	-	-	-	-	-	177,098	177,098
Assigned:							
Subsequent year's expenditures	150,000	-	-	-	-	-	150,000
Unassigned	2,433,937	-	-	-	-	-	2,433,937
Total fund balances	2,627,864	-	-	578,326	885,491	177,098	4,268,779
Total liabilities, deferred inflows of resources and fund balances	\$ 2,787,184	\$ 645,865	\$ 67,874	\$ 607,682	\$ 886,435	\$ 177,098	\$ 5,172,138

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

CASWELL COUNTY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Exhibit 3 (continued)

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

Total fund balance (All Governmental Funds)	4,268,779
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	38,896,800
Net OPEB asset	37,363
Deferred outflows of resources related to pensions	4,145,275
Deferred outflows of resources related to OPEB plans	2,741,734
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(1,870,408)
Net pension liability	(10,539,688)
Net OPEB liability	(21,155,095)
Deferred inflows of resources related to pensions	(309,852)
Deferred inflows of resources related to OPEB plans	<u>(12,423,230)</u>
Net position of governmental activities	<u>\$ 3,791,678</u>

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 18,402,973	\$ -	\$ 200,000	\$ 11,535,720	\$ -	\$ 30,138,693
Caswell County							
Local current expense	2,655,000	-	-	-	-	-	2,655,000
Other	-	-	-	-	4,480,066	-	4,480,066
U.S. Government	-	524,325	2,470,503	-	-	-	2,994,828
Other	321,269	-	-	506,698	52,519	97,748	978,234
Total revenues	<u>2,976,269</u>	<u>18,927,298</u>	<u>2,470,503</u>	<u>706,698</u>	<u>16,068,305</u>	<u>97,748</u>	<u>41,246,821</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	63,219	10,109,056	157,706	18,009	-	-	10,347,990
Special populations	43,770	2,137,868	552,194	-	-	-	2,733,832
Alternative programs	54,036	385,450	911,368	266,433	-	-	1,617,287
School leadership	41,148	1,452,549	-	21,820	-	-	1,515,517
Co-curricular	90,840	-	-	-	-	75,378	166,218
School-based support	26,591	1,764,259	454,855	200,000	-	-	2,445,705
System-wide support services:							
Support and development	3,067	149,468	-	-	-	-	152,535
Special population support and development	646	77,011	73,752	-	-	-	151,409
Alternative programs and services							
support and development	-	-	54,228	-	-	-	54,228
Technology support	159,565	228,959	-	40,604	-	-	429,128
Operational support	1,475,301	1,813,224	103,229	-	-	-	3,391,754
Financial and human resource services	304,301	267,999	34,690	-	-	-	606,990
Accountability	1,721	90,978	-	-	-	-	92,699
Policy, leadership and public relations	358,309	269,632	-	-	-	-	627,941
Ancillary services	69,212	109,041	-	200	-	-	178,453
Non-programmed charges	228,561	-	128,481	-	-	-	357,042
Debt service:							
Principal retirement	-	-	-	-	188,968	-	188,968
Capital outlay	-	-	-	-	16,126,060	-	16,126,060
Total expenditures	<u>2,920,287</u>	<u>18,855,494</u>	<u>2,470,503</u>	<u>547,066</u>	<u>16,315,028</u>	<u>75,378</u>	<u>41,183,756</u>
Revenues over (under) expenditures	55,982	71,804	-	159,632	(246,723)	22,370	63,065
Other financing sources (uses):							
Transfers from (to) other funds	-	(71,804)	-	-	-	-	(71,804)
Installment purchase obligations issued	-	-	-	-	377,936	-	377,936
Total other financing sources (uses)	-	(71,804)	-	-	377,936	-	306,132
Net change in fund balance	55,982	-	-	159,632	131,213	22,370	369,197
Fund balances:							
Beginning of year	2,571,882	-	-	418,694	754,278	154,728	3,899,582
End of year	<u>\$ 2,627,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,326</u>	<u>\$ 885,491</u>	<u>\$ 177,098</u>	<u>\$ 4,268,779</u>

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

CASWELL COUNTY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 369,197
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	15,153,604
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,996,982
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	914,720
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	362,386
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(188,968)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(2,976,668)
OPEB (expense) benefit	920,707
Compensated absences	<u>93,469</u>
Total changes in net position of governmental activities	<u>\$ 16,645,429</u>

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

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Caswell County	2,655,000	2,655,000	2,655,000	-
U.S. Government	-	-	-	-
Other	328,250	500,250	321,269	(178,981)
Total revenues	2,983,250	3,155,250	2,976,269	(178,981)
Expenditures:				
Current:				
Instructional services				
Regular instructional	12,500	65,900	63,219	2,681
Special populations	25,293	45,593	43,770	1,823
Alternative programs	67,499	77,699	54,036	23,663
School leadership	40,000	48,200	41,148	7,052
Co-curricular	127,808	130,108	90,840	39,268
School-based support	21,367	31,467	26,591	4,876
System-wide support services				
Support and development	6,700	7,350	3,067	4,283
Special populations	-	650	646	4
Alternative programs	-	-	-	-
Technology support	171,542	177,542	159,565	17,977
Operational support	1,588,858	1,618,683	1,475,301	143,382
Financial and human resource services	325,987	332,987	304,301	28,686
Accountability	600	3,250	1,721	1,529
Policy, leadership and public relations	383,536	386,536	358,309	28,227
Ancillary services				
Community	52,500	53,150	52,755	395
Nutrition	3,560	20,060	16,457	3,603
Nonprogrammed charges	228,000	228,575	228,561	14
Total expenditures	3,055,750	3,227,750	2,920,287	307,463
Revenues over (under) expenditures	(72,500)	(72,500)	55,982	128,482
Other financing sources (uses):				
Transfers from (to) other funds	-	-	-	-
Fund balance appropriated	72,500	72,500	-	(72,500)
Net change in fund balance	\$ -	\$ -	55,982	\$ 55,982
Fund balances:				
Beginning of year			2,571,882	
End of year			\$ 2,627,864	

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

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 6 (continued)

	State Public School Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 18,534,624	\$ 19,064,073	\$ 18,402,973	\$ (661,100)
Caswell County	-	-	-	-
U.S. Government	422,369	524,327	524,325	(2)
Other	-	-	-	-
Total revenues	<u>18,956,993</u>	<u>19,588,400</u>	<u>18,927,298</u>	<u>(661,102)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	10,566,369	10,629,554	10,109,056	520,498
Special populations	1,690,084	2,145,291	2,137,868	7,423
Alternative programs	338,738	409,207	385,450	23,757
School leadership	1,446,392	1,454,145	1,452,549	1,596
Co-curricular	-	-	-	-
School-based support	1,670,211	1,816,547	1,764,259	52,288
System-wide support services				
Support and development	147,580	150,080	149,468	612
Special populations	74,583	77,683	77,011	672
Alternative programs	-	-	-	-
Technology support	209,731	229,471	228,959	512
Operational support	2,030,434	1,855,951	1,813,224	42,727
Financial and human resource services	262,878	268,078	267,999	79
Accountability	95,679	98,279	90,978	7,301
Policy, leadership and public relations	266,874	272,774	269,632	3,142
Ancillary services				
Community	-	-	-	-
Nutrition	109,041	109,536	109,041	495
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>18,908,594</u>	<u>19,516,596</u>	<u>18,855,494</u>	<u>661,102</u>
Revenues over (under) expenditures	48,399	71,804	71,804	-
Other financing sources (uses):				
Transfers from (to) other funds	(48,399)	(71,804)	(71,804)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 6 (continued)

	Federal Grants Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Caswell County	-	-	-	-
U.S. Government	6,275,788	6,419,446	2,470,503	(3,948,943)
Other	-	-	-	-
Total revenues	<u>6,275,788</u>	<u>6,419,446</u>	<u>2,470,503</u>	<u>(3,948,943)</u>
Expenditures:				
Current:				
Instructional services				
Regular instructional	334,167	296,990	157,706	139,284
Special populations	666,339	793,165	552,194	240,971
Alternative programs	2,122,111	2,112,814	911,368	1,201,446
School leadership	-	-	-	-
Co-curricular	-	-	-	-
School-based support	1,625,560	1,629,396	454,855	1,174,541
System-wide support services				
Support and development	-	-	-	-
Special populations	70,454	74,253	73,752	501
Alternative programs	54,476	54,606	54,228	378
Technology support	-	-	-	-
Operational support	1,015,361	1,065,435	103,229	962,206
Financial and human resource services	79,199	79,803	34,690	45,113
Accountability	-	-	-	-
Policy, leadership and public relations	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutrition	14,123	14,123	-	14,123
Nonprogrammed charges	<u>293,998</u>	<u>298,861</u>	<u>128,481</u>	<u>170,380</u>
Total expenditures	<u>6,275,788</u>	<u>6,419,446</u>	<u>2,470,503</u>	<u>3,948,943</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers from (to) other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

Exhibit 6 (continued)

	Other Special Revenue Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Caswell County	-	-	-	-
U.S. Government	-	-	-	-
Other	679,657	436,125	506,698	70,573
Total revenues	879,657	636,125	706,698	70,573
Expenditures:				
Current:				
Instructional services				
Regular instructional	74,053	74,053	18,009	56,044
Special populations	395,032	395,032	-	395,032
Alternative programs	282,958	284,458	266,433	18,025
School leadership	21,820	21,820	21,820	-
Co-curricular	-	-	-	-
School-based support	200,000	200,000	200,000	-
System-wide support services				
Support and development	-	-	-	-
Special populations	-	-	-	-
Alternative programs	-	-	-	-
Technology support	40,604	40,604	40,604	-
Operational support	-	-	-	-
Financial and human resource services	-	-	-	-
System-wide pupil support services	-	-	-	-
Policy, leadership and public relations	-	-	-	-
Ancillary services				
Community	-	-	-	-
Nutrition	200	200	200	-
Nonprogrammed charges	-	-	-	-
Total expenditures	1,014,667	1,016,167	547,066	469,101
Revenues over (under) expenditures	(135,010)	(380,042)	159,632	539,674
Other financing sources (uses):				
Transfers from (to) other funds	-	-	-	-
Fund balance appropriated	135,010	380,042	-	(380,042)
Net change in fund balance	\$ -	\$ -	159,632	\$ 159,632
Fund balances:				
Beginning of year			418,694	
End of year			\$ 578,326	

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

**CASWELL COUNTY SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2021**

Exhibit 7

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Community Schools	
Assets			
Current assets:			
Cash and cash equivalents	\$ 22,770	\$ 3,486	\$ 26,256
Investments	286,436	43,783	330,219
Due from other governments	41,428	-	41,428
Receivables	217	-	217
Net OPEB asset	1,343	39	1,382
Inventories	101,176	-	101,176
Total current assets	<u>453,370</u>	<u>47,308</u>	<u>500,678</u>
Noncurrent assets:			
Capital assets:			
Furniture, equipment and vehicles, net	<u>7,398</u>	<u>-</u>	<u>7,398</u>
Total assets	<u>460,768</u>	<u>47,308</u>	<u>508,076</u>
Deferred Outflows of Resources	<u>247,495</u>	<u>7,142</u>	<u>254,637</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	4,611	-	4,611
Compensated absences	30,577	1,890	32,467
Unearned revenue	10,857	-	10,857
Total current liabilities	<u>46,045</u>	<u>1,890</u>	<u>47,935</u>
Noncurrent liabilities:			
Compensated absences	36,494	2,037	38,531
Net pension liability	378,757	10,929	389,686
Net OPEB liability	760,236	21,937	782,173
Total noncurrent liabilities	<u>1,175,487</u>	<u>34,903</u>	<u>1,210,390</u>
Total liabilities	<u>1,221,532</u>	<u>36,793</u>	<u>1,258,325</u>
Deferred Inflows of Resources	<u>457,580</u>	<u>13,203</u>	<u>470,783</u>
Net position			
Investment in capital assets	7,398	-	7,398
Restricted for DIPNC OPEB plan	2,852	83	2,935
Unrestricted (deficit)	<u>(981,099)</u>	<u>4,371</u>	<u>(976,728)</u>
Total net position (deficit)	<u>\$ (970,849)</u>	<u>\$ 4,454</u>	<u>\$ (966,395)</u>

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

CASWELL COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021

Exhibit 8

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Community Schools	
Operating revenues:			
Food sales	\$ 3,748	\$ -	\$ 3,748
Child care fees	-	-	-
Total operating revenues	<u>3,748</u>	<u>-</u>	<u>3,748</u>
Operating expenses:			
Food cost:			
Purchase of food	165,046	-	165,046
Donated commodities	106,117	-	106,117
Salaries and benefits	751,482	(997)	750,485
Materials and supplies	15,669	-	15,669
Depreciation	5,729	-	5,729
Non-capitalized equipment	284	-	284
Contracted services	13,452	-	13,452
Other	<u>2,873</u>	<u>-</u>	<u>2,873</u>
Total operating expenses	<u>1,060,652</u>	<u>(997)</u>	<u>1,059,655</u>
Operating income (loss)	<u>(1,056,904)</u>	<u>997</u>	<u>(1,055,907)</u>
Nonoperating revenues:			
Federal reimbursements	641,684	-	641,684
Federal commodities	106,117	-	106,117
Interest earned	19	-	19
Other	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total nonoperating revenues	<u>762,820</u>	<u>-</u>	<u>762,820</u>
Income (loss) before transfers	(294,084)	997	(293,087)
Transfers from other funds	<u>71,804</u>	<u>-</u>	<u>71,804</u>
Change in net position	(222,280)	997	(221,283)
Net position, beginning of year	<u>(748,569)</u>	<u>3,457</u>	<u>(745,112)</u>
Net position (deficit), end of year	<u>\$ (970,849)</u>	<u>\$ 4,454</u>	<u>\$ (966,395)</u>

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

CASWELL COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021

Exhibit 9

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Community Schools	
Cash flows from operating activities:			
Cash received from customers	\$ 6,387	\$ -	\$ 6,387
Cash paid for goods and services	(224,861)	-	(224,861)
Cash paid to employees for services	(672,758)	-	(672,758)
Net cash used by operating activities	(891,232)	-	(891,232)
Cash flows from noncapital financing activities:			
Federal and State reimbursements	655,847	-	655,847
Other	15,000	-	15,000
Net cash provided by noncapital activities	670,847	-	670,847
Cash flows from investing activities:			
Sales of investments	100,000	-	100,000
Interest earned on investments	19	-	19
Net cash provided by investing activities	100,019	-	100,019
Net decrease in cash and cash equivalents	(120,366)	-	(120,366)
Cash and cash equivalents, beginning of year	143,136	3,486	146,622
Cash and cash equivalents, end of year	\$ 22,770	\$ 3,486	\$ 26,256
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (1,056,904)	\$ 997	\$ (1,055,907)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	5,729	-	5,729
Donated commodities	106,117	-	106,117
Salaries paid by special revenue fund	71,804	-	71,804
Changes in assets and liabilities:			
Decrease in accounts receivable	2,993	-	2,993
Increase in inventories	(26,643)	-	(26,643)
Decrease in accounts payable and accrued liabilities	(894)	-	(894)
Increase in pension liability	53,110	2,058	55,168
Decrease in OPEB liability	(121,562)	(2,085)	(123,647)
Increase in OPEB asset	(151)	(7)	(158)

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

**CASWELL COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2021**

Exhibit 9 (continued)

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Community Schools	
Reconciliation of operating income (loss) to net cash used by operating activities (continued):			
(Increase) decrease in deferred outflow	6,148	(232)	5,916
Increase in deferred inflow	79,903	2,914	82,817
Decrease in unearned revenue	(354)	-	(354)
Decrease in compensated absences payable	(10,528)	(3,645)	(14,173)
Total adjustments	165,672	(997)	164,675
Net cash used by operating activities	\$ (891,232)	\$ -	\$ (891,232)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$106,117 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$71,804 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

CASWELL COUNTY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND
June 30, 2021

Exhibit 10

	<u>Private Purpose Trust Fund</u>
Assets	
Investments	<u>\$ 206,459</u>
Net position	
Assets held in trust for private purpose	<u>\$ 206,459</u>

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

CASWELL COUNTY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2021

Exhibit 11

	Private Purpose Trust Fund
ADDITIONS:	
Interest	\$ 2
DEDUCTIONS:	
Scholarship payments	<u> 9,215</u>
Change in net position	(9,213)
Beginning net position	<u> 215,672</u>
Ending net position	<u>\$ 206,459</u>

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

**CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Caswell County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Caswell County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Caswell County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

**CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

Federal Grants Fund. The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received from prekindergarten programs and other special programs.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Caswell County appropriations, restricted sales tax moneys, proceeds of Caswell County bonds issued for public school construction as well as certain State assistance.

The Board reports the following major enterprise fund:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

The Board reports the following fiduciary fund:

Private Purpose Trust. The Private Purpose Trust is used to account for scholarship and other restricted money under the control of the Board for the benefit of students in the County.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds and the private-purpose trust, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. The STIF consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. The NCCMT Government Portfolio's securities are measured at fair value, which is the NCCMT's share price. The STIF securities (as valued under level 2 of the fair value hierarchy) are reported at cost and maintain a constant \$1 per share value. Investments valued under level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

**CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments with original maturities of three months or less are essentially demand deposits and are considered cash and cash equivalents.

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Prepaid Expenditures

Prepaid items consist of deposits made with various insurance companies, thus, an equivalent portion of fund balance is classified as nonspendable. The Board utilizes the consumption method of accounting and recognizes prepaid items as expenditures in the period consumed.

5. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1990 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$1,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities such as student desks are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Caswell County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	60
Improvements	15-25
Equipment and furniture	10
Vehicles	6
Computer equipment	3

Depreciation for equipment serves multiple purposes and cannot be allocated ratably, therefore it is reported as "unallocated depreciation" on the Statement of Activities. Land and construction in progress are not depreciated.

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

6. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension related deferrals.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

8. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 is recorded in the district-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute for amounts owed to the district at year end [G.S. 115C-425(a)]. The restriction will be released as of the beginning of the subsequent fiscal year following collection of the amounts owed to the district.

Restricted for School Capital Outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

Special revenue programs – portion of fund balance that can only be used for the specific purposes as specified by the grantor.

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General fund is the only fund that reports a positive unassigned fund balance amount, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

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

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

10. Reconciliation of District-wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(477,101) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 60,482,742
Less accumulated depreciation	<u>(21,585,942)</u>
Net capital assets	38,896,800
Net OPEB asset	37,363
Deferred outflows of resources related to pensions	4,145,275
Deferred outflows of resources related to OPEB	2,741,734
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(188,968)
Compensated absences	(1,681,440)
Net pension liability	(10,539,688)
Net OPEB liability	(21,155,095)
Deferred inflows of resources related to pensions	(309,852)
Deferred inflows of resources related to OPEB	<u>(12,423,230)</u>
Total adjustment	<u>\$ (477,101)</u>

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$16,276,232 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 16,064,632
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(911,028)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(377,936)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	188,968
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,996,982
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	914,720
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	362,386
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(2,976,668)
OPEB (expense) benefit	920,707
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	<u>93,469</u>
Total adjustment	<u>\$ 16,276,232</u>

11. Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

**CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$1,095,523. The bank balances with the financial institutions and the State Treasurer were \$1,212,121 and \$47,022 respectively. Of these balances, \$391,142 was covered by federal depository insurance and \$868,001 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2021, the Board had \$3,881,883 invested in a collateralized money market account.

Interest Rate Risk

The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Board investments are in accordance with NC General Statute 115C, which limits investments in obligations of less than 18 months to reduce interest rate risk. The Department of State Treasurer Short Term Investment Fund (STIF) is unrated and has a weighted average maturity of 1.3 years as of June 30, 2021.

Credit Ratings

The Board's investments in the N.C. Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard and Poor's as of June 30, 2021. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries and agencies, and money market instruments. The Board has no policy on credit risk.

**CASWELL COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2021**

Concentration of Credit Risk

The Board places no limit on the amount the Board may invest in any one issuer. The Board does not have any investments, that account for more than 5% of total invested funds.

All investments in fixed income securities and guaranteed agency bonds are measured using the market approach fair value hierarchy Level 1: Securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. At June 30, 2021, the Board's investment balances in securities were as follows:

	<u>Cost</u>	<u>Fair Value</u>
<u>Cash Equivalents:</u>		
AMNB Collateralized Money Market - Principal	<u>\$ 3,881,883</u>	<u>\$ 3,881,883</u>

3. Accounts Receivable

Receivables at the district-wide level at June 30, 2021 are as follows:

	<u>Due from other governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ -	\$ 2,953	\$ 2,953
Other governmental activities	<u>713,739</u>	<u>-</u>	<u>713,739</u>
Total governmental activities	<u>\$ 713,739</u>	<u>\$ 2,953</u>	<u>\$ 716,692</u>
Business-type activities:			
School Food Service	<u>\$ 41,428</u>	<u>\$ 217</u>	<u>\$ 41,645</u>

Due from other governments consists of the following:

Governmental activities:		
State Public School Fund	\$ 645,865	Operating funds from DPI
Federal Grants Fund	<u>67,874</u>	Federal grant funds
Total	<u>\$ 713,739</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 41,428</u>	Federal grant funds

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4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,300,521	\$ -	\$ -	\$ 1,300,521
Construction in progress	3,230,197	15,360,730	1,589,513	17,001,414
Total capital assets not being depreciated	<u>4,530,718</u>	<u>15,360,730</u>	<u>1,589,513</u>	<u>18,301,935</u>
Capital assets being depreciated:				
Buildings and improvements	34,617,948	1,589,513	-	36,207,461
Equipment and furniture	1,409,980	312,132	-	1,722,112
Vehicles	3,859,464	391,770	-	4,251,234
Total capital assets being depreciated	<u>39,887,392</u>	<u>2,293,415</u>	<u>-</u>	<u>42,180,807</u>
Less accumulated depreciation for:				
Buildings and improvements	16,093,921	629,082	-	16,723,003
Equipment and furniture	1,090,227	73,852	-	1,164,079
Vehicles	3,490,766	208,094	-	3,698,860
Total accumulated depreciation	<u>20,674,914</u>	<u>911,028</u>	<u>-</u>	<u>21,585,942</u>
Total capital assets being depreciated, net	<u>19,212,478</u>			<u>20,594,865</u>
Governmental activity capital assets, net	<u>\$ 23,743,196</u>			<u>\$ 38,896,800</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 1,040,785	\$ -	\$ -	\$ 1,040,785
Vehicles	55,130	-	-	55,130
Total capital assets being depreciated	<u>1,095,915</u>	<u>-</u>	<u>-</u>	<u>1,095,915</u>
Less accumulated depreciation for:				
Equipment and furniture	1,027,658	5,729	-	1,033,387
Vehicles	55,130	-	-	55,130
Total accumulated depreciation	<u>1,082,788</u>	<u>5,729</u>	<u>-</u>	<u>1,088,517</u>
School Food Service capital assets, net	<u>\$ 13,127</u>			<u>\$ 7,398</u>

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Depreciation was charged to governmental functions as follows:

Regular instructional services	\$ 629,082
System-wide support services	208,094
Unallocated depreciation	<u>73,852</u>
Total	<u>\$ 911,028</u>

Construction Commitments

The Board has several active construction projects as of June 30, 2021, including a new high school renovation. At year-end, the Board's commitments with contractors for school construction are as follows:

<u>Projects</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Bartlett Yancey High Renovation	<u>\$ 17,001,414</u>	<u>\$ 8,728,417</u>

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not

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provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021, was 14.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$2,070,817 for the year ended June 30, 2021.

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

At June 30, 2021, the Board reported a liability of \$10,929,374 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was .09046% and .09466%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$3,096,354. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 602,267	\$ -
Changes of assumptions	370,366	-
Net difference between projected and actual earnings on pension plan investments	1,208,677	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	46,412	321,308
Board contributions subsequent to the measurement date	2,070,817	-
Total	<u>\$ 4,298,539</u>	<u>\$ 321,308</u>

\$2,070,817 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 670,431
2023	457,884
2024	418,024
2025	360,075
2026	-
Thereafter	<u>-</u>
Total	<u>\$ 1,906,414</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The assumptions used for the December 31, 2019 actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2021 and 2020 was 7.00% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 19,670,307	\$ 10,929,374	\$ 3,597,541

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

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b. Other Postemployment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

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RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$935,931. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$375,785.

At June 30, 2021, Board reported a liability of \$21,937,268 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was .07908% and .08399%, respectively.

\$935,931 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$ (3,421,792)
2023	(3,419,383)
2024	(1,942,061)
2025	(1,186,862)
2026	(1,048,820)
Thereafter	<u>-</u>
Total	<u>\$ (11,018,918)</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

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Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2021 and 2020 were 2.21% and 3.50%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 26,016,212	\$ 21,937,268	\$ 18,650,999

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 17,685,405	\$ 21,937,268	\$ 27,620,456

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

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Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$12,610 for the year ended June 30, 2021.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2021, Board reported an OPEB asset of \$38,745 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and at June 30, 2019, the Board's proportion was .07876% and .08328%, respectively.

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\$12,610 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$	8,988
2023		6,352
2024		3,673
2025		5,378
2026		1,835
Thereafter		<u>4,701</u>
Total	\$	<u>30,927</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

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

	<u>1% Decrease</u> <u>(2.75%)</u>	<u>Discount Rate</u> <u>(3.75%)</u>	<u>1% Increase</u> <u>(4.75%)</u>
Net OPEB asset	\$ 33,462	\$ 38,745	\$ 43,875

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2020 is 1.2%.

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Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2021:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (930,623)	\$ 31,381	\$ (899,242)
OPEB Liability (Asset)	21,937,268	(38,745)	21,898,523
Proportionate share of the net OPEB liability (asset)	0.07908%	0.07876%	
Deferred Outflows of Resources			
Differences between expected and actual experience	19,874	28,068	47,942
Changes of assumptions	962,074	3,013	965,087
Net difference between projected and actual earnings on plan investments	46,213	-	46,213
Changes in proportion and differences between Board contributions and proportionate share of contributions	824,510	10,814	835,324
Board contributions subsequent to the measurement date	935,931	12,610	948,541
Total Deferred Outflows of Resources	<u>2,788,602</u>	<u>54,505</u>	<u>2,843,107</u>
Deferred Inflows of Resources			
Differences between Expected and actual experience	858,213	-	858,213
Changes of assumptions	8,902,490	3,051	8,905,541
Net difference between projected and actual earnings on plan investments	-	6,564	6,564
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,110,886	1,353	3,112,239
Total Deferred Inflows of Resources	<u>12,871,589</u>	<u>10,968</u>	<u>12,882,557</u>

2. Accounts Payable

Accounts payable as of June 30, 2021 are as follows:

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General Fund	\$ 159,320	\$ -	\$ 159,320
Other Governmental	22,185	721,854	744,039
Total governmental activities	<u>\$ 181,505</u>	<u>\$ 721,854</u>	<u>\$ 903,359</u>
Business-type activities:			
School Food Service Fund	\$ 4,611	\$ -	\$ 4,611

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

3. Unearned Revenues

The balances in unearned revenues at year-end have no time restrictions and are composed of the following elements:

The balance in unearned revenues at year-end is composed of the following:

Business-type activities:

Prepayments of meals (School Food Service Fund)	<u>\$ 10,857</u>
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4. Deferred Outflows and Inflows of Resources

The balances in deferred outflows and inflows of resources at year-end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 650,209	\$ 858,213
Changes of assumptions	1,335,453	8,905,541
Net difference between projected and actual earnings on pension plan investments	1,254,890	6,564
Changes in proportion and differences between Board contributions and proportionate share of contributions	881,736	3,433,547
Board contributions subsequent to the measurement date	3,019,358	-
Total	<u>\$ 7,141,646</u>	<u>\$ 13,203,865</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for general liability of \$2,000,000, and \$1,400,000 for errors and omissions. The Trust is reinsured through commercial companies for losses in excess of \$100,000 per claim for errors and omissions and general liability coverage, and for losses in excess of \$275,000 per claim for workers' compensation coverage. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. The Fund provides coverage up to \$10 million per occurrence and \$20 million in aggregate annually. Reinsurance is provided by the Fund to provide financial solvency for property losses in excess of the Fund's self-insured retention of \$10 million. A total limit of \$100 million per occurrence is purchased for covered catastrophic events, \$400 million maximum per occurrence for any one flood or earthquake.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits.

CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

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

6. Long-Term Obligations

a. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third party financing arrangements. During the fiscal year ended June 30, 2017, the Board entered into such direct placement financing contracts for the purchase of school buses. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates. As of June 30, 2021, the financing contract was paid off.

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2021:

	July 1, 2020	Increases	Decreases	June 30, 2021	Current Portion
Governmental activities:					
Direct placement					
installment purchases	\$ -	\$ 377,936	\$ 188,968	\$ 188,968	\$ 94,484
Net pension liability	9,478,843	1,060,845	-	10,539,688	-
Net OPEB liability	25,667,152	-	4,512,057	21,155,095	-
Compensated absences	1,774,909	798,504	891,973	1,681,440	689,829
Total	\$ 36,920,904	\$ 2,237,285	\$ 5,592,998	\$ 33,565,191	\$ 784,313
Business-type activities:					
Net pension liability	\$ 334,518	\$ 55,168	\$ -	\$ 389,686	\$ -
Net OPEB liability	905,820	-	123,647	782,173	-
Compensated absences	85,171	32,185	46,358	70,998	32,467
Total	\$ 1,325,509	\$ 87,353	\$ 170,005	\$ 1,242,857	\$ 32,467

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

**CASWELL COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021**

C. Interfund Balances and Activity

Transfers to/from other Funds

Transfers to/from other funds at June 30, 2021 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 71,804</u>
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D. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 2,627,864
Less:	
Prepaid expenditures	(40,974)
Stabilization by State statute	(2,953)
Appropriated Fund Balance in the 2021-2022 budget	<u>(150,000)</u>
Remaining fund balance	<u>\$ 2,433,937</u>

NOTE 3 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System

Schedule of Board Contributions
Teachers' and State Employees' Retirement System

Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Asset
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net pension liability (asset)	0.09046%	0.09466%	0.10036%
Board's proportionate share of the net pension liability (asset)	\$ 10,929,374	\$ 9,813,361	\$ 9,991,931
Board's covered payroll	\$ 14,938,541	\$ 15,428,674	\$ 15,176,877
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.16%	63.60%	65.84%
Plan fiduciary net position as a percentage of the total pension liability	85.98%	87.56%	87.61%

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.09766%	0.09865%	0.09863%	0.09900%	0.09600%
Board's proportionate share of the net pension liability (asset)	\$ 7,748,775	\$ 9,066,954	\$ 3,634,710	\$ 1,121,303	\$ 6,022,451
Board's covered payroll	\$ 14,842,927	\$ 14,530,568	\$ 14,819,574	\$ 13,989,898	\$ 14,918,840
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.21%	62.40%	24.53%	8.02%	40.37%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only eight years of data presented.

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,070,817	\$ 1,942,464	\$ 1,896,184
Contributions in relation to the contractually required contribution	<u>2,070,817</u>	<u>1,942,464</u>	<u>1,896,184</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 13,997,995	\$ 14,938,541	\$ 15,428,674
Contributions as a percentage of covered-employee payroll	14.78%	12.97%	12.29%

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,636,067	\$ 1,481,324	\$ 1,329,547	\$ 1,355,991	\$ 1,215,722
Contributions in relation to the contractually required contribution	<u>1,636,067</u>	<u>1,481,324</u>	<u>1,329,547</u>	<u>1,355,991</u>	<u>1,215,722</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 15,176,877	\$ 14,842,927	\$ 14,530,568	\$ 14,819,574	\$ 13,989,896
Contributions as a percentage of covered-employee payroll	10.78%	9.98%	9.15%	9.15%	8.69%

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only eight years of data presented.

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST FIVE FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability	0.07908%	0.08399%	0.08922%	0.08840%	0.08403%
Board's proportionate share of the net OPEB liability	\$ 21,937,268	\$ 26,572,972	\$ 25,416,589	\$ 28,983,229	\$ 36,556,086
Board's covered payroll	\$ 14,938,541	\$ 15,428,674	\$ 15,176,877	\$ 14,842,927	\$ 14,530,568
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	146.85%	172.23%	167.47%	195.27%	251.58%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	3.52%	2.41%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 935,931	\$ 968,986	\$ 967,378
Contributions in relation to the contractually required contribution	<u>935,931</u>	<u>968,986</u>	<u>967,378</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 13,997,995	\$ 14,938,541	\$ 15,428,674
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 918,201	\$ 860,163	\$ 811,842	\$ 809,506	\$ 754,688
Contributions in relation to the contractually required contribution	<u>918,201</u>	<u>860,163</u>	<u>811,842</u>	<u>809,506</u>	<u>754,688</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 15,176,877	\$ 14,842,927	\$ 14,530,568	\$ 14,819,574	\$ 13,989,896
Contributions as a percentage of covered payroll	6.05%	5.81%	5.60%	5.49%	5.40%

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. There are only eight years of data presented as the remaining information was not readily available.

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST FIVE FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.07876%	0.08328%	0.08926%	0.08632%	0.08749%
Board's proportionate share of the net OPEB asset	\$ 38,745	\$ 35,935	\$ 27,114	\$ 52,759	\$ 54,331
Board's covered payroll	\$ 14,938,541	\$ 15,428,674	\$ 15,176,877	\$ 14,842,927	\$ 14,530,568
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.26%	0.23%	0.18%	0.36%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	113.00%	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five years of data presented.

**CASWELL COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 12,610	\$ 14,977	\$ 21,600
Contributions in relation to the contractually required contribution	<u>12,610</u>	<u>14,977</u>	<u>21,600</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 13,997,995	\$ 14,938,541	\$ 15,428,674
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,248	\$ 56,259	\$ 59,438	\$ 60,455	\$ 61,493
Contributions in relation to the contractually required contribution	<u>21,248</u>	<u>56,259</u>	<u>59,438</u>	<u>60,455</u>	<u>61,493</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 15,176,877	\$ 14,842,927	\$ 14,530,568	\$ 14,819,574	\$ 13,989,896
Contributions as a percentage of covered payroll	0.14%	0.38%	0.41%	0.41%	0.44%

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. There are only eight years of data presented as the remaining information was not readily available.

INDIVIDUAL FUND SCHEDULES

CASWELL COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Caswell County:			
County appropriation	2,655,000	2,655,000	-
Other:			
Fines and forfeitures	-	46,791	46,791
Interest earned on investment	-	26	26
Indirect costs allocated	-	128,481	128,481
Reimbursements	-	128,894	128,894
Tuition and fees	-	12,259	12,259
Miscellaneous	-	4,818	4,818
Total other	500,250	321,269	321,269
 Total revenues	 3,155,250	 2,976,269	 321,269
Expenditures:			
Current:			
Instructional services:			
Regular instructional	65,900	63,219	2,681
Special populations	45,593	43,770	1,823
Alternative programs	77,699	54,036	23,663
School leadership	48,200	41,148	7,052
Co-curricular	130,108	90,840	39,268
School-based support	31,467	26,591	4,876
Total instructional services	398,967	319,604	79,363
System-wide support services:			
Support and development	7,350	3,067	4,283
Special population support and development	650	646	4
Technology support	177,542	159,565	17,977
Operational support	1,618,683	1,475,301	143,382
Financial and human resource services	332,987	304,301	28,686
Accountability	3,250	1,721	1,529
Policy, leadership and public relations	386,536	358,309	28,227
Total system-wide support services	2,526,998	2,302,910	224,088

CASWELL COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
Expenditures: (Continued)			
Current:			
Ancillary services:			
Community	53,150	52,755	395
Nutrition	20,060	16,457	3,603
Total ancillary services	<u>73,210</u>	<u>69,212</u>	<u>3,998</u>
Nonprogrammed charges:			
Payments to other governments	<u>228,575</u>	<u>228,561</u>	<u>14</u>
Total expenditures	<u>3,227,750</u>	<u>2,920,287</u>	<u>307,463</u>
Revenues over (under) expenditures	(72,500)	55,982	128,482
Fund balance appropriated	<u>72,500</u>	<u>-</u>	<u>(72,500)</u>
Net change in fund balance	<u>\$ -</u>	55,982	<u>\$ 55,982</u>
Fund balance:			
Beginning of year		<u>2,571,882</u>	
End of year		<u>\$ 2,627,864</u>	

CASWELL COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 15,172,144	\$ 11,146,882	\$ (4,025,262)
State Buses Appropriation	188,968	188,968	-
ADM Funds	<u>156,430</u>	<u>199,870</u>	<u>43,440</u>
Total State of North Carolina	<u>15,517,542</u>	<u>11,535,720</u>	<u>(3,981,822)</u>
Caswell County:			
Bond proceeds	12,230,238	4,015,066	(8,215,172)
County appropriations	<u>465,000</u>	<u>465,000</u>	<u>-</u>
Total Caswell County	<u>12,695,238</u>	<u>4,480,066</u>	<u>(8,215,172)</u>
Other:			
ABC revenues	53,000	52,437	(563)
Interest earned on investments	<u>10,000</u>	<u>82</u>	<u>(9,918)</u>
Total other	<u>63,000</u>	<u>52,519</u>	<u>(10,481)</u>
Total revenues	<u>28,275,780</u>	<u>16,068,305</u>	<u>(12,207,475)</u>
Expenditures:			
Debt service:			
Principal retirement	<u>188,968</u>	<u>188,968</u>	<u>-</u>
Capital outlay:			
Real property and buildings:			
School security upgrades	-	142,492	-
BYHS Addition	-	15,275,530	-
Various other real property improvements	<u>-</u>	<u>247,089</u>	<u>-</u>
Total real property and buildings	<u>28,137,932</u>	<u>15,665,111</u>	<u>12,472,821</u>
Furnishings and equipment	99,000	68,963	30,037
Buses and motor vehicles	<u>392,936</u>	<u>391,986</u>	<u>950</u>
Total capital outlay	<u>28,629,868</u>	<u>16,126,060</u>	<u>12,503,808</u>
Total expenditures	<u>28,818,836</u>	<u>16,315,028</u>	<u>12,503,808</u>
Revenues under expenditures	(543,056)	(246,723)	296,333
Other financing sources:			
Installment purchase obligations issued	<u>377,936</u>	<u>377,936</u>	<u>-</u>
Fund balance appropriated	<u>165,120</u>	<u>-</u>	<u>(165,120)</u>
Net change in fund balance	<u>\$ -</u>	<u>131,213</u>	<u>\$ 131,213</u>
Fund balance:			
Beginning of year		<u>754,278</u>	
End of year		<u>\$ 885,491</u>	

CASWELL COUNTY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 150,500	\$ 3,748	\$ (146,752)
Operating expenditures:			
Business support services:			
Purchase of food	-	191,689	-
Donated commodities	-	106,117	-
Salaries and benefits	-	744,562	-
Materials and supplies	-	15,669	-
Non-capitalized equipment	-	284	-
Contracted services	-	13,452	-
Other	-	2,873	-
Total operating expenditures	<u>1,616,240</u>	<u>1,074,646</u>	<u>541,594</u>
Operating loss	<u>(1,465,740)</u>	<u>(1,070,898)</u>	<u>394,842</u>
Nonoperating revenues:			
Federal reimbursements	1,300,000	641,684	(658,316)
Federal commodities	-	106,117	106,117
State reimbursements	800	-	(800)
Interest earned	7,500	19	(7,481)
Other	-	15,000	15,000
Total nonoperating revenues	<u>1,308,300</u>	<u>762,820</u>	<u>(545,480)</u>
Revenues under expenditures before other financing sources	(157,440)	(308,078)	(150,638)
Other financing sources:			
Transfers from other funds	<u>157,440</u>	<u>71,804</u>	<u>(85,636)</u>
Net change in fund balance	<u>\$ -</u>	<u>(236,274)</u>	<u>\$ (236,274)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(5,729)	
Net OPEB asset		151	
Net pension liability		(53,110)	
Net OPEB liability		121,562	
Deferred outflows		(6,148)	
Deferred inflows		(79,903)	
Decrease in compensated absences payable		10,528	
Increase in inventories		<u>26,643</u>	
Change in net position (full accrual)		<u>\$ (222,280)</u>	

CASWELL COUNTY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
COMMUNITY SCHOOLS
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Operating revenues:			
Child care fees	\$ -	\$ -	\$ -
Operating expenditures:			
Regular community services:			
Salaries and benefits	-	-	-
Total operating expenditures	-	-	-
Nonoperating revenues:			
Interest earned	-	-	-
Revenues over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		7	
Net pension liability		(2,058)	
Net OPEB liability		2,085	
Deferred outflows		232	
Deferred inflows		(2,914)	
Decrease in compensated absences payable		<u>3,645</u>	
Change in net position (full accrual)		<u>\$ 997</u>	

COMPLIANCE SECTION



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

INDEPENDENT AUDITORS' REPORT

To the Caswell County Board of Education
Yanceyville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Caswell County Board of Education, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprises the Caswell County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated October 21, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Anderson Smith & Wike PLLC

*October 21, 2021
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Caswell County Board of Education
Yanceyville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Caswell County Board of Education, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2021. The Caswell County Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Caswell County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Anderson Smith & Wike PLLC

*October 21, 2021
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and The State Single Audit Implementation Act

INDEPENDENT AUDITORS' REPORT

To the Caswell County Board of Education
Yanceyville, North Carolina

Report on Compliance for Each Major State Program

We have audited Caswell County Board of Education, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2021. The Caswell County Board of Education's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Caswell County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Anderson Smith & Wike PLLC

*October 21, 2021
West End, North Carolina*

**CASWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Reported*

Noncompliance material to financial statements noted *No*

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Reported*

Type of auditors' report issued on compliance for major federal programs *Unmodified*

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

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
84.425	COVID-19 - Education Stabilization Funds
21.019	COVID-19 - Coronavirus Relief Funds

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

Auditee qualified as low-risk auditee? *Yes*

**CASWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021**

**Section I - Summary of Auditors' Results (Continued)
State Awards**

Internal control over major State programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Reported*

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act *No*

Identification of major State programs:

Program Name

State Public School Fund
Career and Technical Education – State Months of Employment

Section II - Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of State awards aggregating \$25,000 or more were noted.

Section IV - State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of State awards aggregating \$25,000 or more were noted.

**CASWELL COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2021**

There were no audit findings reported in the prior year.

CASWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
<u>U. S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 106,117
Cash Assistance:			
Summer Food Service Program for Children	10.559	PRC 035	641,684
Total Child Nutrition Cluster:			747,801
<u>U.S. Department of Education</u>			
<u>Office of Elementary and Secondary Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies			
Educationally Deprived Children	84.010	PRC 050 & 115	846,591
Supporting Effective Instruction	84.367	PRC 103	91,686
Student Support and Academic Enrichment	84.424	PRC 108	43,128
Rural and Low Income Schools	84.358	PRC 109	36,651
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	584,915
Special Needs Targeted Assistance	84.027	PRC 118	5,250
Targeted Assistance for Preschool	84.173	PRC 119	1,370
Risk Pool	84.027	PRC 114	30,325
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	38,357
Total Special Education Cluster			660,217
Title VI-B, Education of the Handicapped	84.323	PRC 082	7,438
Career and Technical Education - Basic Grants to States - Program Development	84.048	PRC 017	59,362

**CASWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants (Continued):			
Education Stabilization Fund:			
CARES Act:			
COVID-19 - K-12 Emergency Relief Fund - ESSER I	84.425D	PRC 163	561,405
COVID-19 - GEER I - Supplemental Instructional Services	84.425C	PRC 170	37,727
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	<u>126,298</u>
Total COVID-19 - Education Stabilization Fund	84.425		<u>725,430</u>
Total U.S. Department of Education			<u>2,470,503</u>
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget:			
N.C. Pandemic Recovery Office:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Coronavirus Relief Fund:			
Summer Learning Program		PRC 121	112,785
Contracting Mental Health Professional		PRC 122	9,639
Nondigital Resources		PRC 123	4,782
Student Computers and Devices		PRC 124	59,765
School Nutrition		PRC 125	109,041
Personnel Computers and Devices		PRC 126	7,932
Home and Community WiFi		PRC 128	23,978
Grants for Exceptional Children Services		PRC 132	78,610
Low Wealth Supplemental Funds		PRC 134	72,697
Cybersecurity		PRC 135	6,565
Personal Protective Equipment		PRC 137	<u>38,531</u>
Total COVID-19 - Coronavirus Relief Fund	21.019		<u>524,325</u>
Total federal assistance			<u>3,742,629</u>

CASWELL COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	17,317,751
Driver Training - SPSF		PRC 012	39,502
Career and Technical Education			
State Months of Employment		PRC 013	1,007,113
Program Support Funds		PRC 014	<u>38,607</u>
Passed through Caswell County:			
Public School Capital Fund - Lottery			110,055
Public School Capital Fund - Lottery Needs Based			11,036,827
Public School Capital Fund - ADM Funds			<u>199,870</u>
Cash assistance subtotal			<u>29,749,725</u>
Non-cash Assistance:			
School buses - Noncash		PRC 120	<u>188,968</u>
Total N.C. Department of Public Instruction			<u>29,938,693</u>
<u>N.C. Department of Health and Human Services:</u>			
School Nurse Grant			<u>200,000</u>
Total State assistance			<u>30,138,693</u>
Total federal and State assistance			<u><u>\$ 33,881,322</u></u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Caswell County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Caswell County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Caswell County Schools.

Note 2. Summary of Significant Accounting Policies

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

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