

CRAVEN COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

June 30, 2020



PREPARED BY THE FINANCE DEPARTMENT

CRAIG A. WARREN, FINANCE OFFICER

CRAVEN COUNTY

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INTRODUCTORY SECTION

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- GFOA Certificate of Achievement
- List of Principal Officials
- Organizational Chart
- Map of Craven County, North Carolina



January 11, 2021

To the Citizens of Craven County
The Honorable Board of County Commissioners
Craven County, North Carolina

It is my pleasure to submit the Comprehensive Annual Financial Report of Craven County for the fiscal year ended June 30, 2020. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Thompson, Price, Scott, Adams and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audit government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements

involving the administration of federal and state awards. The auditor reports are available in the Single Audit section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the County

Craven County, chartered in 1712, utilizes the Commissioner-Manager form of government with seven commissioners who serve four-year terms. The Chairperson is elected by the Commissioners each year for a one year term. The County Manager, County Attorney, and Clerk to the Board are appointed by, and serve at the pleasure of the County Commissioners. The County Manager is responsible for administering all affairs of the County and for management of all County employees.

Craven County is located midway along North Carolina's lace work coastal fringe and is diverse in its physical characteristics, demographics and economic base. The County's land area totals approximately 712 square miles or 455,680 acres. Settled in 1710 by Swiss and German immigrants at the confluence of the Trent and Neuse Rivers, New Bern, the county seat, is the second oldest town in the state. Rich in history, it is the site of North Carolina's Colonial Capitol and its first State Capitol. New Bern is also the Birthplace of Pepsi Cola, a drink first concocted by Caleb Bradham, a local pharmacist, in 1898. Downtown New Bern offers museums, shops, galleries, restaurants, historic sites, waterfront hotels, bed and breakfast accommodations, marinas, convention center, parks, historic homes and churches. Tryon Palace Historic Sites & Gardens, the first permanent seat of colonial government in North Carolina, offers visitors an opportunity to experience over 300 years of American history and acres of period inspired gardens.



The City of Havelock, the second largest municipality in Craven County, is home to Cherry Point, the largest Marine Corps Air Station on the East Coast. The Air Station is home of the 2nd Marine Aircraft Wing and sits on acres of land in Craven County. The Fleet Readiness Center (FRC) East (formerly known as NADEP), one of eight fleet readiness centers operated by the U. S. Navy, sits on nearly 150 acres on board Marine Corps Air Station Cherry Point. FRC East is the largest industrial employer in eastern North Carolina employing over 13,000 military and civilian personnel. The base is also the location of Halyburton Naval Health Clinic.

While still a rural county, Craven County has become much less dependent on agriculture as its main economic engine and has marketed itself as a desirable destination for tourists, drawn by abundant opportunities for conventions, golf, sailing, beaches, fishing, hunting, and touring over 150 historic landmarks. The County's reputation as a desirable retirement community continues to grow as a result of its popularity as a tourist destination.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Craven County operates.

Craven County like the rest of the United States has not been immune to the negative economic impacts created by the COVID-19 pandemic. In March 2020, Executive Orders meant to slow the spread of the

virus were issued mandating citizens stay at home and that certain business classified as nonessential shut down temporarily. These unprecedented public safety measures impacted our regional economy with decreases in consumer spending and increases in unemployment. Although continued into fiscal 2021, the negative impacts of the pandemic and resulting restrictions have been less severe than originally projected. Signs of economic recovery in the short-term have begun as public safety restrictions have eased and businesses have reopened. As we head into the future, we remain cautiously optimistic as long-term recovery is dependent upon multiple factors including mitigating public health and safety concerns by reducing the spread of the virus along with the development and rollout of a vaccine.

Craven County's economy continues to improve with some areas of growth. For calendar year 2019, the annual average unemployment rate in the County improved slightly at 4.1 percent compared to 4.2 percent for 2018. The rate remained steady for most of the year reaching its lowest point of 3.4 percent in the month of December. Comparatively, the statewide average unemployment rate for calendar 2019 was 3.9 percent, the same rate reported for 2018. The County ended the fiscal year with a local unemployment rate at 7.7 percent in June 2020. Due to the pandemic and resulting public safety restrictions, the unemployment rate in Craven County reached its highest point of 12.7 percent in May 2020.

The total number of people employed in Craven County increased by 1.8 percent in calendar 2019 (using annual average figures) compared to last year with growth in the public sector slightly outpacing the private sector by approximately 0.6 percent. Government (federal, state and local) employment increased by 2.2 percent from the prior year and remains the largest sector of employment in the County making up 32.2 percent of all jobs. While the largest sector of employment in Craven County remains Government, the County continues to encourage diversification by seeking a wide variety of industries to create jobs in the community. The County's top employers represent industries in Government, Health Care, Education, and Manufacturing. The following table lists the 10 largest employers in Craven County for 2020 according to the North Carolina Department of Commerce.

Rank	Employer	Industry	Employment Range
1	Defense Ex Army Navy & Air Force	Public Administration	1000+
2	Carolinaeast Medical Center	Health Care and Social Assistance	1000+
3	Craven County Board Of Education	Educational Services	1000+
4	BSH Home Appliances Corporation	Manufacturing	1000+
5	Moen Incorporated	Manufacturing	500-999
6	Craven County	Public Administration	500-999
7	Wal-Mart Associates Inc.	Retail Trade	500-999
8	Marine Corps Exchange Service	Retail Trade	500-999
9	Craven Community College	Educational Services	500-999
10	City Of New Bern	Public Administration	250-499

Source: NC Commerce LEAD Division
2020 Employees are full time

The United States Marine Corps Air Station at Cherry Point is home to Fleet Readiness Center East which is the single largest industrial employer east of I-95, providing employment for a total work force of 12,713 personnel, including 5,498 civilians. Total payroll for the base in fiscal year 2019, including Fleet Readiness Center East was \$1.21 billion while the total economic impact of the Marine Corps Air Station at Cherry Point was \$2.24 billion. The military and local communities have developed a strong relationship from which both have benefited. Craven County continues its efforts to ensure that decision makers in Washington, DC and Raleigh understand the significance and importance of the military presence in the County and all of eastern North Carolina.

Per capita personal income in Craven County increased by 4.9 percent in 2019 (the latest information available), to \$46,446. The change for the state of North Carolina in 2019 was a 3.4 percent increase and nationally the change was a 3.5 percent increase. The County's per capita income level is 97 percent of the state's average of \$47,766 and 82 percent of the national average of \$56,490. The County ranked 20th out of 100 counties in the state in per capita income, up from 23rd reported for the previous year. The 2009-2019 average annual growth rate of per capita personal income for Craven County was 2.6 percent, while the average annual growth rate for the state was 2.9 percent and 3.7 percent for the nation.

The local real estate market continues to remain strong during this pandemic. Recent sales data of the number of homes sold in fiscal 2020 was 1,854 compared to 1,860 sold in fiscal 2019. The average home sales price for fiscal 2020 was \$206,401 which reflects a 6 percent increase compared to fiscal 2019. Residential development in the County slowed briefly during fiscal 2020 compared to the previous year, however current data shows this trend greatly improving heading into fiscal 2021. During the first quarter of fiscal year 2021, new home starts totaled 85 compared to only 16 for the first quarter of fiscal 2020.

With many historic sites and homes, 40 miles of navigable rivers, the Croatan National Forest, and abundant lakes and wildlife, the County continues to emphasize and capitalize on tourism. Tryon Palace, the first State Capitol, was authentically reconstructed in the 1950's and is considered the main attraction in the downtown historic district of the City of New Bern. The North Carolina History Center, part of the Tryon Palace complex, is an education/visitor center for the Palace and is situated between the Palace and the Doubletree by Hilton, near the Convention Center. The County contributed over a million dollars to the interactive museum/education center project. The building contains two major museums, the Pepsi Family Center and the Regional History Museum, as well as a 200 seat state-of-the-art performing arts hall, exhibit and orientation theaters, a museum store, a waterfront café, and program and administrative space.

Domestic tourism in Craven County generated an economic impact of \$155.6 million in 2019, an increase of 4.3 percent from 2018 setting a record high for visitor spending going back to 1990. Statewide the increase in tourism impact was 1.3 percent higher than the County's at 5.6 percent. State and local tax revenues generated from travel to Craven County amounted to \$11.79 million which represents a \$113.63 tax savings to each county resident. According to North Carolina Division of Tourism, Film and Sports Development, in 2019 there were 1,180 jobs in Craven County related to tourism with an annual payroll of \$31.1 million.

The New Bern Riverfront Convention Center located in historic downtown New Bern was constructed by the County in August 2000 at a cost of \$12 million. The facility is approximately 45,000 square feet and houses a 12,000 square foot ballroom designed to seat and serve groups up to 1,500. The site is adjacent to one of the major hotel facilities in the downtown area and within walking distance of two other hotels and several bed and breakfast facilities. The Center sustained major damages as a result of Hurricane Florence and had already been closed for repairs prior to the pandemic occurring. The facility had only been open since October 2019 when Executive Orders closed the doors again in March 2020. For the period it was open in fiscal 2020, the Center hosted a total of 52 events and generated approximately \$1.0 million of economic impact to the community during the fiscal year ending June 30, 2020.

Long-term Financial Planning

Providing services desired by its citizens and those required by statute is a recurring challenge faced by all local governments. Craven County continues to remain committed to only expanding services when corresponding resources are available to support them. For fiscal year 2021, the County's total operating budget is \$115,426,366 with a General Fund tax rate of \$.5494 per \$100 of assessed valuation. The estimate of property values used for fiscal 2021 was \$9.86 billion, an increase of 5.77 percent from the

\$9.36 billion used for fiscal 2020. The County experienced some growth in the tax base over the past year however most of the increase was attributed to the recovery efforts following Hurricane Florence. Damages as result of this storm negatively impacted estimated property values heading into last fiscal year's budget. Growth in the tax base is expected to remain steady as increased development within the County continues.

Efforts to keep fiscal year expenditures within available resources without providing too much reliance on the fund balance continue with the fiscal year 2021 budget. Fund balance is monitored very closely to ensure adequate reserves are maintained to fund projects and to keep the tax rate at a necessary funding level. For fiscal year 2021, \$1,416,294 of fund balance was appropriated in the General Fund. Although the North Carolina State Treasurers Office recommends no less than an available fund balance of 8 percent, the County has a stated goal of maintaining available fund balance between 18 – 25 percent. On June 30, 2020, the County ended the year with an available General Fund balance of 23.31 percent of total expenditures and transfers out.

Capital needs of the County are assessed on an annual basis. The County's Capital Improvement Plan budgeted at \$4.1 million for fiscal 2021, serves as the primary tool for planning the County's annual capital budget. The plan establishes a framework for capital additions and the method of financing them over a five-year period. The Capital Reserve Fund maintained by the County is the primary source of funding for capital projects allowing the County to pay for future capital needs as they arise. Transfers of \$638,000 were made from the reserve during 2020 for capital items. No transfers in were made to the Capital Reserve in 2020 however \$59,000 of interest was earned during the year. As a result of this activity, the County used approximately \$580,000 of its Capital Reserve during fiscal 2020.

Major Initiatives

The County is involved in several initiatives heading into fiscal 2021. Some of these initiatives are discussed in the following section.

Economic Development efforts in the County continue in partnership with the Craven 100 Alliance (C1A). The Craven 100 Alliance, a public private partnership between Craven County, the cities of New Bern and Havelock, and the private sector, made major strides with several investments into economic development during the 2020 fiscal year. It began the year by selling its shell building to Carolina GSE for their expansion needs creating 10 jobs and almost \$2.0 million in investment. The C1A retained four acres and sold it to Enviro Assessments East along with an acre of county owned property. This was a \$1.3 million investment and created 21 jobs. Chemac, Inc., a new tenant in the park, finalized their relocation from New Jersey during fiscal 2020, investing approximately \$1.0 million into the park. The County also continued its investment into the industrial park heading into fiscal 2021 with a \$470,000 initiative to extend water and sewer infrastructure. This project was funded by the County along with grants from the NC Department of Commerce and Duke Energy.

In fiscal year 2018, the County completed a facilities master plan and space needs assessment study. The purpose of the study was to develop a long-range plan to address the current and future space needs of the County over the next 15 to 30 years. Findings of the study recommend improvements to County facilities including major renovations and new construction at an approximate cost of \$59 million broken down into multiple phases over a 15 year period. The County Board of Commissioners has already approved funding for several projects identified in the plan including a major renovation and improvement project at the Convention Center and a new Parks and Recreation Office Building at Creekside Park. Other major facility needs identified in the plan are still being evaluated for incorporation into the County's long-term capital improvement plan.

The County's Hurricane Florence recovery efforts will continue with the restoration and improvement of the Convention Center. Both phases of this recovery project are expected to be completed in fiscal 2021. Other major hurricane recovery projects include the restoration of the Courthouse/EOC buildings, Lawson

Creek Pump Station, and repairs to the water system's telemetry components. All three of these projects are in the final stages of planning with mitigation options currently being discussed with FEMA. Other major projects programmed into next year's budget include, completing the construction of the new Recreation Administration Building Offices at Creekside Park, replacement of the camera system at the Judicial Center Complex, completion of the epoxy flooring project at the Jail, and improvements at Creekside Park to increase citizen accessibility.

The County will continue with its Enterprise Resource Planning (ERP) software replacement project budgeted at \$2 million heading into next fiscal year. The systems that are being upgraded under this project include the Financial, Payroll, Human Resources, Utility Billing, Permitting, and Tax. With the financial module completed, resources are being allocated towards implementing the payroll and human resources modules targeting a completion date in the spring of 2021. The remaining utility billing and permitting modules are expected to begin in 2022. Phase two of this project included the replacement of the tax software. Both the collections and billing modules went live last fiscal year, leaving only the appraisal component to complete. The completion date for the appraisal module is targeted for the summer of 2022.

Awards and Acknowledgements

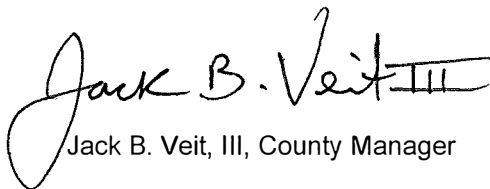
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Craven County for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirtieth consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.


The preparation of this report would not have been possible without the assistance and dedication of the entire staff of the Craven County Finance Department. Much appreciation is expressed to the members of the department who assisted and contributed to the preparation of this report and to the County's independent auditors, Thompson, Price, Scott, Adams, & Co., P.A. for their assistance and guidance.

The information presented in this report illustrates the progressive leadership and support provided by the Craven County Board of Commissioners. Without the Board's guidance and initiative, the financial activities of Craven County would not be able to operate in a fiscally stable and responsible manner.

Respectively submitted,



Jack B. Veit, III, County Manager



Craig Warren, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Craven County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CRAVEN COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2020

BOARD OF COMMISSIONERS

THOMAS F. MARK

Chairman

JASON R. JONES

Vice-Chairman

GEORGE S. LINER

DENNY BUCHER

THERON MCCABE

E. T. MITCHELL

JOHNNIE SAMPSON

COUNTY OFFICIALS

JACK B. VETT III

County Manager

CRAIG A. WARREN

Finance Officer

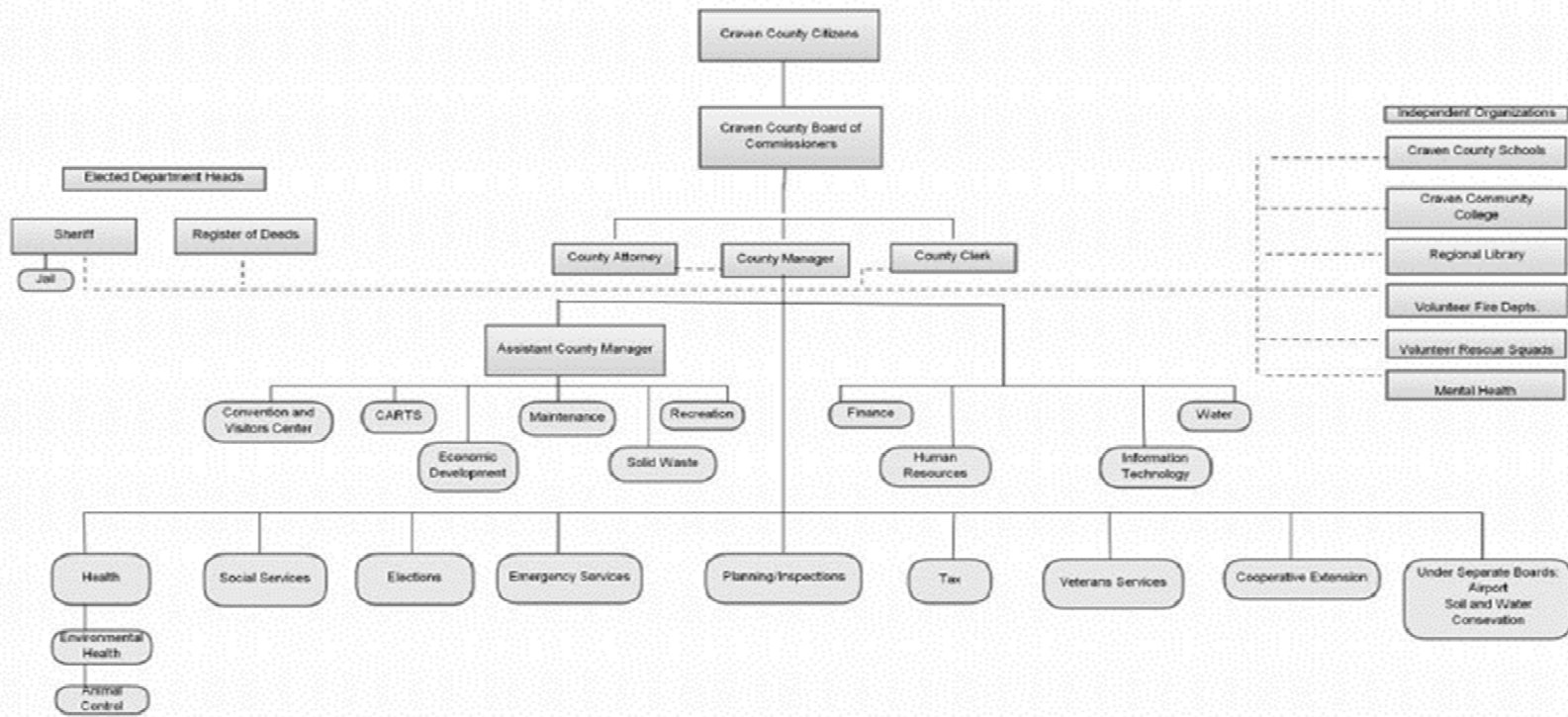
GENE HODGES
Assistant County Manager

SHERRI B. RICHARD
Register of Deeds

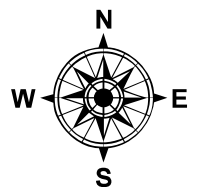
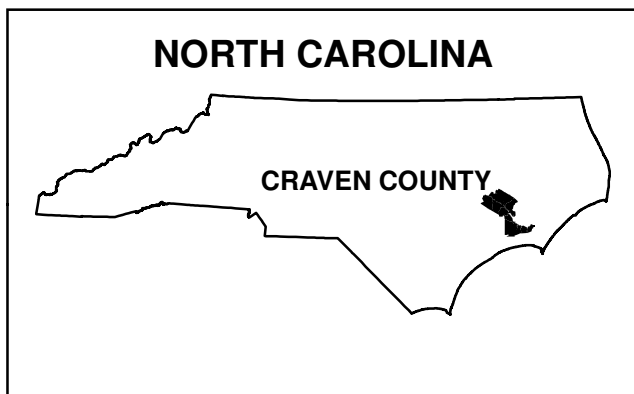
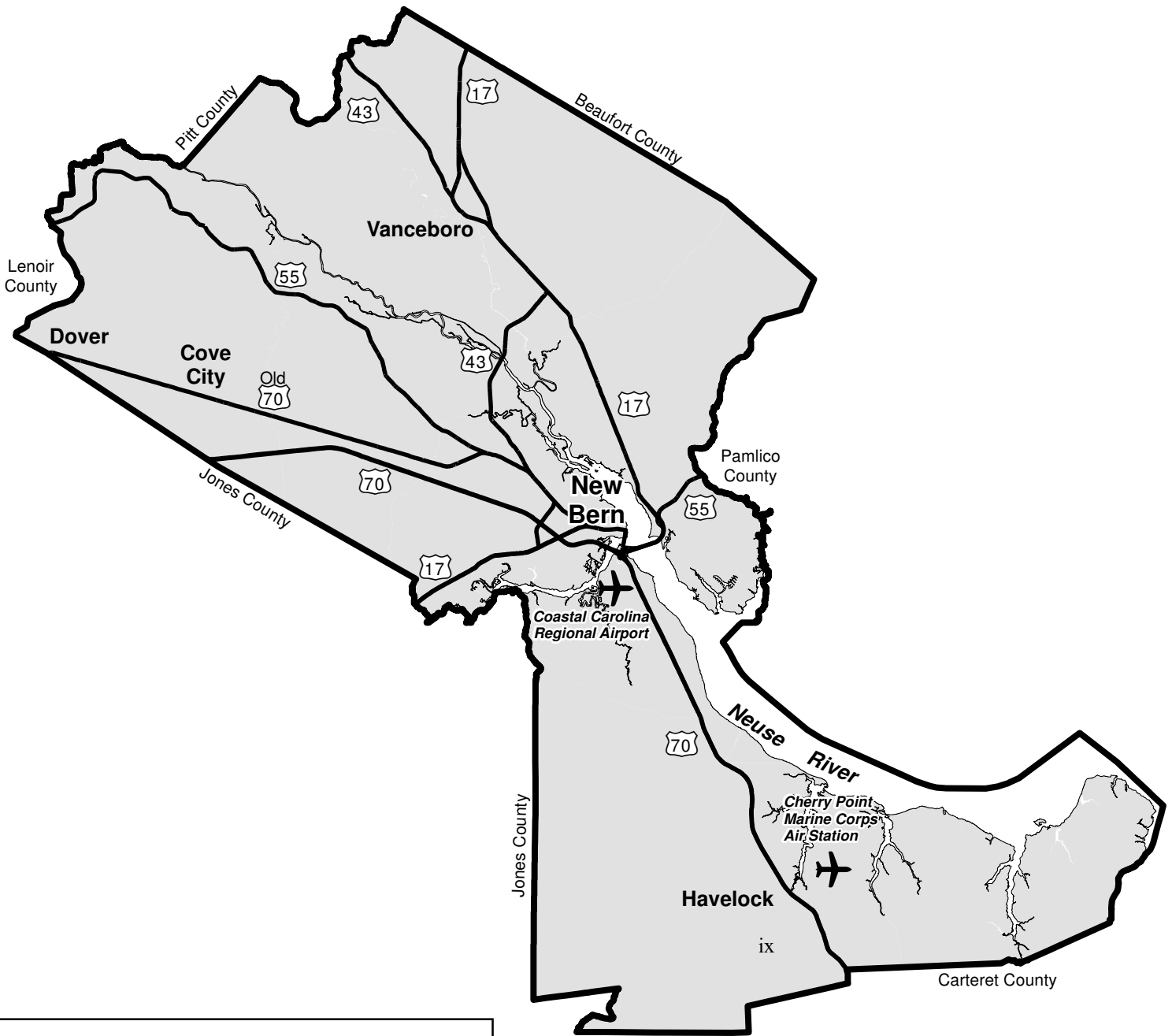
CHIP HUGHES

Sheriff

CRAVEN COUNTY ORGANIZATIONAL CHART



Craven County North Carolina



FINANCIAL SECTION

- Report of Independent Certified Public Accountants
- Management's Discussion & Analysis (Unaudited)
- Basic Financial Statements
- Notes to the Financial Statements
- Required Supplementary Information (Unaudited)
- Other Supplementary Information



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Whiteville, NC 28472

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Craven County
New Bern, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise Craven County'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Craven County Alcoholic Beverage Control Board (ABC Board) or CarolinaEast Health System (the Health System), which represents 93.2 percent, 91.8 percent, and 98.7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board and Health System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the ABC Board and Health System were not audited in accordance with *Government Auditing Standards* and, accordingly, are not covered by our report in accordance with *Governmental Auditing Standards*.

Members

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2021, on our consideration of Craven County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Craven County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 11, 2021

**Craven County
Management's Discussion and Analysis
June 30, 2020**

As management of Craven County, we offer readers of Craven County's financial statements this narrative overview and analysis of the financial activities of Craven County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

The assets and deferred outflows of resources of Craven County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$114,438,571 (net position).

The government's total net position increased by \$8,729,179 in fiscal year 2020. Of this amount, \$268,699 was a decrease in net position resulting from the operations of the Water enterprise fund. The remaining \$8,997,878 increase in net position was in governmental activities and was primarily due to revenues exceeding projections and under spending appropriations by \$6,816,613 in the general fund.

As of the close of the current fiscal year, Craven County's governmental funds reported combined ending fund balances of \$60,947,875, reflecting a net increase of \$6,232,486 for the year. Approximately 59.03 percent of the total amount or \$35,976,578 is restricted, committed, or assigned.

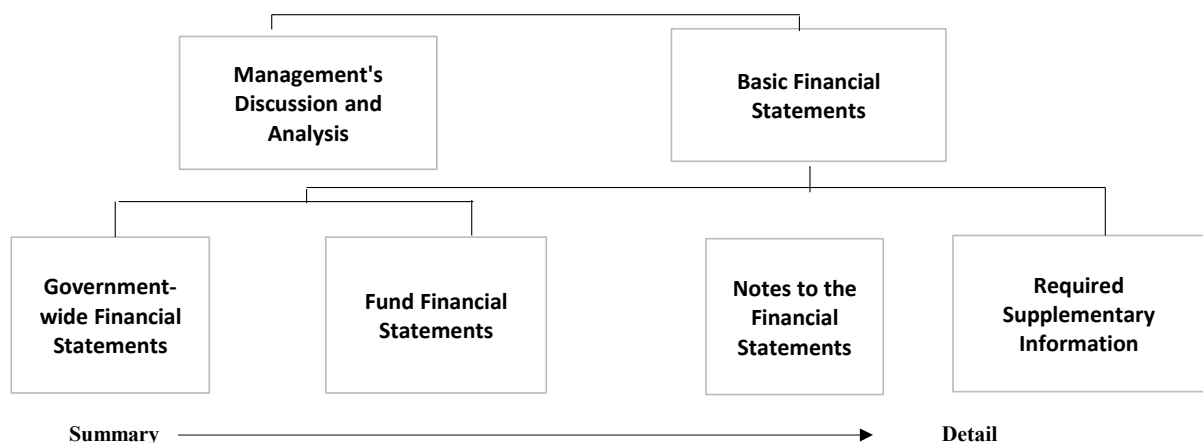
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,350,019 or 24.00 percent of total General Fund expenditures excluding other financing uses for the fiscal year.

The County's total long-term debt increased by \$3,196,636 as a result of debt service payments made during the fiscal year being offset by additional debt proceeds of \$10,000,000 during the year for improvements at the County's Convention Center.

Overview of Financial Statements

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

Required Components of Annual Financial Report



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status, using the full-accrual basis of accounting, in a manner similar to a private-sector business.

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

The next section of the basic financial statements is the **Notes to the Financial Statements**. The notes are essential to a full understanding of the data provided in the government-wide and fund financial statements because they explain in detail some of the data contained in those statements. Following the notes is the **required supplemental information**. This section contains funding information about the County's pension and other postemployment benefit plans.

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

Government-wide Financial Statements

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

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

The government-wide financial statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, education, human services, environmental services, economic and physical development, and general administration. Property tax, sales tax, and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. For Craven County, only the water utility is reported as a business activity.

The final category is component units. CarolinaEast Health System (formerly Craven Regional Medical Center) is a public hospital operated by the CarolinaEast Health System authority. The County Commissioners appoint the governing board of the Health System and own the buildings and land of the main hospital site. The facility is leased for \$1 per year to the Health System by the County. The Craven County Tourism Development Authority (TDA) and the Coastal Carolina Regional Airport Authority formerly Craven Regional Airport Authority) are separate legal entities. The County is financially accountable for the TDA as it derives its revenues through a special room occupancy tax authorized and revocable by the County Commissioners. The Airport Authority governing board is appointed by the County Commissioners and the County is responsible for financing any operating deficits of the Airport Authority. Although legally separate from the County, the Craven County Alcoholic Beverage Control Board is a component unit of the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements follow this analysis.

Fund Financial Statements

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

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

Craven County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document.

The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - Craven County has only two proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Craven County uses an enterprise fund to account for its water utility activity. This fund is the same as the separate activity shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for its risk management activity. Because this operation benefits predominately governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds - Agency funds are used to account for resources held for the benefit of parties outside the government. Craven County has three agency funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start immediately following the basic financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the following: County's proportionate share of Net Pension Liability (Asset) for Local Government Employees' Retirement System and Registers of Deeds' Supplemental Pension Fund; County Contributions to Local Government Employees' Retirement System and Registers of Deeds' Supplemental Pension Fund; Pension liability for Law Enforcement Officers' Special Separation Allowance; and changes in the total OPEB liability and related ratios. Required supplementary information can be found following the Notes to the Financial Statements of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$114,438,571 as of June 30, 2020. The County's net position increased by \$8,729,179 for the fiscal year ended June 30, 2020. By far, the largest category of net position, totaling \$75,147,749 or 65.66 percent of the total net position, is the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Craven County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Craven County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of Craven County's net position \$25,134,861 or 21.96 percent represents resources that are subject to external restrictions on how they may be used. Most of this amount is a result of North Carolina statutes requiring restriction of assets not readily converted into cash. The remaining balance of \$14,155,960 is unrestricted at June 30, 2020 and would be significantly larger were it not for the method used to finance public school and community college debt in North Carolina. Under North Carolina law, the County is responsible for providing capital funding for the school system and the community college. The County has chosen to meet its legal obligation to provide the schools capital funding by using a mixture of County funds and debt. The assets funded by the County, however, are owned and utilized by the school systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$15,514,150 of outstanding debt on the County's financial statements was related to assets included in the school system's and community college's financial statements.

Even though the debt has been issued to finance capital outlay and construction for the schools and community college, the Governmental Accounting Standards Board has determined that it is not capital debt for the County since it is not financing assets owned by the County. As a result, the school debt is reportable within the unrestricted category of net position rather than as part of the net investment in capital assets category. The unrestricted net position balance is made up of the following:

School/College System Debt	\$ (15,514,150)
All Other	29,670,110
Total unrestricted net position	<u>\$ 14,155,960</u>

Craven County's Net Position

	Governmental Activities		Business Type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Current and other Assets	\$ 73,179,818	\$ 65,419,684	\$ 13,763,372	\$ 13,515,801	\$ 86,943,190	\$ 78,935,485
Capital Assets, net	65,890,222	57,331,488	40,601,663	41,963,788	106,491,885	99,295,276
Total assets	<u>139,070,040</u>	<u>122,751,172</u>	<u>54,365,035</u>	<u>55,479,589</u>	<u>193,435,075</u>	<u>178,230,761</u>
Total deferred outflows of resources	<u>12,153,299</u>	<u>11,513,511</u>	<u>189,052</u>	<u>176,387</u>	<u>12,342,351</u>	<u>11,689,898</u>
Long-term liabilities	59,706,281	52,325,543	13,752,172	14,550,547	73,458,453	66,876,090
Other Liabilities	13,708,164	14,560,330	1,447,317	1,481,636	15,155,481	16,041,966
Total liabilities	<u>73,414,445</u>	<u>66,885,873</u>	<u>15,199,489</u>	<u>16,032,183</u>	<u>88,613,934</u>	<u>82,918,056</u>
Total deferred inflows of resources	<u>754,925</u>	<u>1,282,032</u>	<u>10,683</u>	<u>11,179</u>	<u>765,608</u>	<u>1,293,211</u>
Net position:						
Net investment in capital assets	48,698,804	47,005,992	26,448,945	26,919,877	75,147,749	73,925,869
Restricted	25,134,861	15,448,708	-	-	25,134,861	15,448,708
Unrestricted	1,260,990	3,642,078	12,894,970	12,692,737	14,155,960	16,334,815
Total net position	<u>\$ 75,094,656</u>	<u>\$ 66,096,778</u>	<u>\$ 39,343,915</u>	<u>\$ 39,612,614</u>	<u>\$ 114,438,571</u>	<u>\$ 105,709,392</u>

The impact of unrestricted net position caused by the inclusion of the school debt without the corresponding assets was partially offset by the following positive factors:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.85, which is slightly lower than the statewide average of 99.07 percent.
- Conservative approach to projecting revenue and expenditure based upon the economy and local trends. Total General Fund revenues were more than projected by \$3.2 million while total General Fund expenditures were less than projected by \$6.8 million.
- Managements proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Craven County's Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for services	\$ 14,565,896	\$ 19,513,609	\$ 3,849,499	\$ 3,849,791	\$ 18,415,395	\$ 23,363,400
Operating grants and contributions	25,310,768	22,375,435	-	-	25,310,768	22,375,435
Capital grants and contributions	1,184,199	1,136,029	-	-	1,184,199	1,136,029
General revenues:						
Property taxes	55,119,160	54,063,292	-	-	55,119,160	54,063,292
Sales and use taxes	19,828,653	19,290,881	-	-	19,828,653	19,290,881
Other	4,974,878	6,376,446	101,051	244,902	5,075,929	6,621,348
Total revenues	<u>120,983,554</u>	<u>122,755,692</u>	<u>3,950,550</u>	<u>4,094,693</u>	<u>124,934,104</u>	<u>126,850,385</u>
Expenses:						
General government	13,026,648	17,072,762	-	-	13,026,648	17,072,762
Public Safety	23,546,188	23,323,223	-	-	23,546,188	23,323,223
Environmental Protection	8,048,976	6,370,235	-	-	8,048,976	6,370,235
Economic and physical development	4,150,209	3,786,002	-	-	4,150,209	3,786,002
Human Services	30,552,111	31,678,988	-	-	30,552,111	31,678,988
Culture and recreation	2,871,967	3,346,603	-	-	2,871,967	3,346,603
Education	28,571,621	27,166,990	-	-	28,571,621	27,166,990
Interest on long term debt	1,347,956	1,152,829	-	-	1,347,956	1,152,829
Water and sewer districts	-	-	4,089,249	4,090,859	4,089,249	4,090,859
Total expenses	<u>112,115,676</u>	<u>113,897,632</u>	<u>4,089,249</u>	<u>4,090,859</u>	<u>116,204,925</u>	<u>117,988,491</u>
Increase in net position before transfers	8,867,878	8,858,060	(138,699)	3,834	8,729,179	8,861,894
Transfers	<u>130,000</u>	<u>130,000</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>	<u>-</u>
Increase in net position after transfers	8,997,878	8,988,060	(268,699)	(126,166)	8,729,179	8,861,894
Net position beginning of year	<u>66,096,778</u>	<u>57,108,718</u>	<u>39,612,614</u>	<u>39,738,780</u>	<u>105,709,392</u>	<u>96,847,498</u>
Net Position ending	<u>\$ 75,094,656</u>	<u>\$ 66,096,778</u>	<u>\$ 39,343,915</u>	<u>\$ 39,612,614</u>	<u>\$ 114,438,571</u>	<u>\$ 105,709,392</u>

Governmental Activities - Governmental activities increased the County's net position by \$8,997,878 from the prior fiscal year. Key elements of this increase are as follows:

- Property tax revenues increased by \$1.1 million in 2020 due to continued diligence in collection efforts along with some growth in the tax base.
- Sales tax collections increased \$537 thousand from the prior year as a result of increased economic activity in the County and around the State.
- Overall expenses decreased \$1.8 million from the previous year with General Government, Human Services, and Culture and Recreation making up the largest portions of the decrease at \$4.0 million, \$1.1 million, and \$500 thousand, respectively.
- The large decrease in General Government from the prior year was due to non-reoccurring expenses related to the County's Hurricane Florence emergency response in 2019.
- Those decreases were offset by increases in Environmental Protection and Education categories by \$1.7 million and \$1.4 million, respectively.
- Many expense categories such as Human Services, General Government, and Public Safety all came in under budget which contributed to the increase in net position.

Business-type activities - Business-type activities for the County's water utility decreased the County's total net position by \$268,699.

- Total revenues were down \$144 thousand compared to last fiscal year mostly due to state mandated COVID-19 restrictions. Executive Orders issued in March 2020 prohibited utilities from performing service disconnections for non-payment, charging late fees, and reconnection fees for a period of 6 months. As a result, water sales and late payment penalties were lower than the prior year by \$76 thousand and \$39 thousand, respectively. Total expenses were \$4.1 million, virtually the same as the prior year. The last rate increase was implemented in October 2011 in order to finance the construction of the new water treatment plant along with the additional operating expenses.

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of Craven County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Craven County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2020, the governmental funds of Craven County reported a combined fund balance of \$60,947,875, which represents a 11.39 percent increase from last year.

The General Fund is the chief operating fund of Craven County. At the end of fiscal 2020, the County's unassigned fund balance in the General Fund was \$25,350,019 while total fund balance reached \$39,296,637. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the County's General Fund represents 22.04 percent of total General Fund expenditures including transfers out, while total fund balance represents 34.17 percent of the total General Fund expenditures. The County has not adopted a formal fund balance policy but has identified a goal of maintaining an available fund balance in the range of 18 to 25 percent of expenditures to meet any unforeseen needs or opportunities that may arise.

The other major governmental fund is the County's Capital Reserve Fund which had a decrease in fund balance of approximately \$579,590 due to transfers out totaling \$638,339. This total transfer funded capital expenditures in the General Fund and was partially offset by interest revenue totaling \$58,749.

Fund balances of the non-major governmental funds increased by \$6.8 million. \$4.4 million of this increase was in the Convention Center Project fund and was due to \$10m loan proceeds that was not fully expended in the current year. \$1.3 million of this increase was in the Courthouse EOC Project Fund.

General Fund Budgetary Highlights - The County approaches the budget using conservative, fact based estimates for revenues and expenditures. As a result, actual revenues during 2020 exceeded budgeted estimates by \$3.2 million or 2.92%. Higher than projected property taxes, sales taxes, and intergovernmental revenues accounted for most of the positive variances on the revenue side.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenues by \$2.5 million and expenditure appropriations by \$4.9 million.

Total expenditures during 2020 came in under budget by \$6.8 million or 6.06 percent. Savings from underspending appropriations occurred in all programs with human services, general government, and public safety accounting for most of the variance. Appropriations in these three categories were

Net transfers out were increased in the budget by approximately \$3.8 million and consisted of \$250,000 in additional sales tax revenue designated for school capital expenditures transferred to the Debt Service Fund and \$4.5 million transferred to capital projects. The transfers out were offset by transfers in of \$1.0 million from the Capital Reserve Fund for capital expenditures.

Proprietary Funds – Craven County's proprietary funds statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year totaled 12.9 million, an increase of \$202 thousand. Although expenses came in under budget, the total change in net position was a decrease of \$269 thousand. This decrease was primarily the result of; lower than projected revenues due to pandemic restrictions mandated under Executive Order 124, and increased capital contributions made during the fiscal year.

Capital Asset and Debt Administration

Capital assets - Craven County's capital assets for its governmental and business-type activities as of June 30, 2020 totaled approximately \$106,310,080 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and water production and distribution infrastructure.

Major capital asset transactions during the year included:

- Installation of new generator at the Animal Shelter
- Park improvements at Creekside and West Craven
- Carpet replacement at the Health Department
- Construction of new Solid Waste Convenience Center referred to as the Croatan Site
- Replace roof at the Human Services Complex
- Remodel sections of Old Jail/Emergency Operations Center for storage space
- Remodel District Attorney's Office
- Purchase of 38 vehicles including 20 for the Sheriff's Department
- Application of epoxy coating to floor in the Jail
- Paint Jasper Water Tank

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 10,041,280	\$ 10,071,206	\$ 947,354	\$ 947,354	\$ 10,988,634	\$ 11,018,560
Buildings	66,937,661	66,931,247	30,695,646	30,744,470	97,633,307	97,675,717
Improvements	21,151,691	19,302,693	30,117,386	30,026,556	51,269,077	49,329,249
Machinery and Equipment	9,061,590	8,785,106	198,887	170,814	9,260,477	8,955,920
Vehicles	7,128,002	6,551,844	321,692	288,576	7,449,694	6,840,420
Construction in progress	9,866,745	120,694	-	-	9,866,745	120,694
Total	124,186,969	111,762,790	62,280,965	62,177,770	186,467,934	173,940,560
Less accumulated depreciation	58,296,747	54,431,305	21,861,107	20,213,982	80,157,854	74,645,287
Total, net of depreciation	\$ 65,890,222	\$ 57,331,485	\$ 40,419,858	\$ 41,963,788	\$ 106,310,080	\$ 99,295,273

Additional information on the County's capital assets can be found in Note 5 of the Basic Financial Statements.

Long-term Debt - As of June 30, 2020, Craven County had total bonded general obligation debt outstanding of \$5,947,000 all of which is backed by the full faith and credit of the County. All other debt is covered by pledged collateral and is subject to appropriation.

Craven County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
G.O. bonds	\$ 5,947,000	\$ 8,335,000	\$ -	\$ -	\$ 5,947,000	\$ 8,335,000
Installment debt	31,128,150	24,654,450	14,152,717	15,041,781	45,280,867	39,696,231
Total	<u>\$ 37,075,150</u>	<u>\$ 32,989,450</u>	<u>\$ 14,152,717</u>	<u>\$ 15,041,781</u>	<u>\$ 51,227,867</u>	<u>\$ 48,031,231</u>

Craven County's total debt increased \$3.2 million during the fiscal year, primarily due to the issuance of a \$10 million installment purchase agreement for improvements at the Convention Center. The repayment terms of this debt is 14.5 years at an interest rate of 2.2 percent. The increase was offset by the retirement of existing debt principal.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The balance remaining of the legal debt margin for Craven County is \$730,664,053.

Additional information regarding Craven County's long-term debt can be found in Note 8 of the Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

The following key economic indicators reflect current economic conditions of the County:

- The County's average unemployment rate for calendar year 2019 remained virtually unchanged at 4.1 percent, down from the 4.2 percent reported for the previous calendar year. The comparable rate for the entire State for 2019 was 3.9 percent. The County ended the fiscal year with a local unemployment rate at 7.7 percent in June 2020. Due to the COVID-19 pandemic and resulting public safety restrictions, the unemployment rate in Craven County reached its highest point of 12.7 percent in May 2020.
- Per capita personal income in Craven County increased by 4.9 percent in 2019 (the latest information available), to \$46,446. The change for the state of North Carolina in 2019 was a 3.4 percent increase and nationally the change was a 3.5 percent increase. The County's per capita income level is 97 percent of the state's average of \$47,766 and 82 percent of the national average of \$56,490. The County ranked 20th out of 100 counties in the state in per capita income, up from 23rd reported for the previous year. The 2009-2019 average annual growth rate of per capita personal income for Craven County was 2.6 percent, while the average annual growth rate for the state was 2.9 percent and 3.7 percent for the nation.
- The local real estate market continues to remain strong despite the pandemic. Recent sales data of the number of homes sold in fiscal 2020 was 1,854 compared to 1,860 sold in fiscal 2019. The average home sales price for fiscal 2020 was \$206,401 which reflects a 6 percent increase compared to fiscal 2019. Residential development in the County slowed briefly during fiscal 2020 compared to the previous year, however current data shows this trend greatly improving heading into fiscal 2021. During the first quarter of fiscal year 2021, new home starts totaled 85 compared to only 16 for the first quarter of fiscal 2020.

Budget Highlights for the Fiscal Year ending June 30, 2021

Governmental Activities - The County prepared the fiscal year 2020-2021 budget with the expectations that the COVID-19 pandemic and resulting economic downturn would have significant impacts on the County's revenue sources. As noted previously in this report, the County remains in a strong financial position and was experiencing positive economic conditions leading up to the pandemic. However, unlike previous downturns, there is no historical data or comparable event on which to project the full economic impacts caused by a public health crisis such as this. Based upon these factors, and the anticipation of a slow and staggered recovery, the County employed a more cautious approach to preparing the fiscal 2020-2021 budget than it traditionally would have had the pandemic not occurred.

The County approved a \$115.4 million General Fund budget for fiscal year 2021, which is an increase of \$3.2 million or 2.88 percent from the previous year. Estimated assessed property values for fiscal 2021 were \$9.9 billion, a 5.77 percent increase from the \$9.36 billion estimate used for the 2020 budget. The County adopted the ad valorem tax rate of 54.94 cents per \$100 of assessed valuation which reflects no change from the previous year. All revenues were budgeted conservatively with property taxes estimated to increase \$2.9 million or 5.7 percent while sales tax revenues are estimated to decrease \$805 thousand or 4.6 percent. The decrease in the sales tax estimate is due as a result of the public safety restrictions imposed following the pandemic. The budget reflects no new fees or increases in charges for services.

The County appropriated \$1,416,294 of fund balance in order to balance the 2021 budget. This amount of fund balance was needed to continue the County's investment in our public schools and community college, as well as perform critical capital improvements and large building maintenance needs. Management does not anticipate that all the fund balance appropriated will be expended as revenues and expenditures were budgeted conservatively.

Capital expenditures in the amount of \$4 million are included in the 2021 budget. Major capital acquisitions include:

- Vehicles purchase in multiple departments \$240,000
- Transportation (CARTS) vehicles \$250,000
- Information Technology projects and improvements \$425,000
- Improvements at Creekside Park \$185,000
- Utility extension project at the Industrial Park \$470,000
- New Croatan Convenience Site in Solid Waste \$624,000
- Convenience Site improvements in Solid Waste \$70,000
- Solid Waste equipment replacement \$70,000
- Maintenance projects and improvements \$827,000
- Sheriff Department vehicles \$490,000
- Sheriff Department equipment \$350,000
- Camera upgrades at Judicial Center \$300,000
- Install epoxy coating to floors at Jail \$222,000

Education is the single largest category in terms of its portion of total expenditures and includes both the public school system and community college. Appropriated operating and capital expenditures remained flat from the previous year totaling \$28.4 million or 24.63 percent of the fiscal year 2021 budget. As always, additional funding may be provided to the public schools from the County's fund balance after potential impacts of the State's budget are finalized. The second largest category includes both Health and Social Services expenditures which also remained flat from the previous year totaling approximately \$31.1 million or 26.07 percent of budgeted appropriations. Additional funding was also added in both the Public Safety and Debt Service categories making up approximately \$1.3 million of the overall increase in the fiscal 2021 budget. These increases are reoccurring and consisted of the County adding six additional School Resource Officers in the County's elementary schools at an annual cost of \$398 thousand, and the first year's debt service payment of \$935 thousand on the Convention Center installment financing.

Business-type Activities: The County approved a \$4.1 million budget for the operations of the County's water system with no change to water rates for fiscal 2021. The County completed the construction of its \$30.9 million Water Treatment Facility in fiscal 2018. This facility can process approximately 3 million gallons per day and is readily expandable to 5 million should future demands require it. Annual debt service payments for this new facility are budgeted at \$808,950. The last rate increase for the water system was implemented in October 2011 and was designed to provide the funds needed to cover the debt service and increased operating cost on the new water treatment plant. Management reviews these rates annually to ensure they remain sufficient to cover all operating and capital costs. There are several maintenance and efficiency projects under development that could require a nominal rate adjustment should the County decide to move forward with them in future years.

Request for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Craven County, 406 Craven Street, New Bern, North Carolina, 28560. You may also call 252-636-6603 or visit our website www.cravencountync.gov.

BASIC FINANCIAL STATEMENTS

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Tourism Development Authority</u>	<u>Coastal Carolina Regional Airport Authority</u>	<u>CarolinaEast Health System</u>	<u>Craven County ABC Board</u>
ASSETS							
Cash and cash equivalents	\$ 27,134,010	\$ 13,231,825	\$ 40,365,835	\$ 465,048	\$ 5,189,165	\$ 38,720,735	\$ 2,930,102
Short-term investments	25,394,191	-	25,394,191	-	-	49,062,367	-
Restricted cash	4,529,635	-	4,529,635	-	381,847	-	-
Accounts Receivable (net)	7,352,563	486,746	7,839,309	27,769	922,917	58,477,042	-
Taxes Receivable (net)	8,403,307	-	8,403,307	-	-	-	-
Accrued Interest Receivable	87,530	-	87,530	-	-	-	-
Internal Balances	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	11,547,385	802,261
Prepays	85,681	44,801	130,482	-	-	6,145,465	32,618
Long-term cash and investments	-	-	-	-	-	306,430,184	-
Other assets	-	-	-	-	-	1,115,476	-
Net pension asset	192,901	-	192,901	-	-	-	-
Capital asset:							
Land and construction in progress	19,908,025	1,129,158	21,037,183	-	20,777,976	61,310,349	833,376
Other capital assets, net of depreciation	45,982,197	39,472,505	85,454,702	-	22,954,779	152,065,614	665,539
Total capital assets	65,890,222	40,601,663	106,491,885	-	43,732,755	213,375,963	1,498,915
Total assets	139,070,040	54,365,035	193,435,075	492,817	50,226,684	684,874,617	5,263,896
DEFERRED OUTFLOWS OF RESOURCES	12,153,299	189,052	12,342,351	-	161,869	2,807,518	167,062
LIABILITIES							
Accounts payable	4,618,879	217,924	4,836,803	951	345,442	53,828,844	2,052,659
Current maturities of long term obligations	8,115,562	915,774	9,031,336	-	-	1,520,000	-
Accrued salaries and benefits	868,926	5,878	874,804	-	32,869	19,228,070	-
Accrued interest payable	104,797	1,776	106,573	-	-	-	-
Customer Deposits	-	305,965	305,965	-	-	-	-
Unspent CARES Act Funds	1,959,314	-	1,959,314	-	-	-	-
Long-term liabilities:							
Net pension liability	11,695,045	225,072	11,920,117	-	146,924	-	208,369
Total OPEB liability	16,090,524	246,982	16,337,506	-	259,070	-	-
Due in more than one year	31,920,712	13,280,118	45,200,830	-	-	56,918,580	-
Total Liabilities	75,373,759	15,199,489	90,573,248	951	784,305	131,495,494	2,261,028
DEFERRED INFLOWS OF RESOURCES	754,925	10,683	765,608	-	12,539	354,606	-
NET POSITION							
Net Investments in capital assets	48,698,804	26,448,945	75,147,749	-	43,732,755	156,325,963	1,498,915
Restricted for:							
Stabilization by State Statute	12,579,507	-	12,579,507	27,769	-	-	-
General government	2,107,453	-	2,107,453	-	-	-	-
Education	2,361,585	-	2,361,585	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Public Safety	1,915,227	-	1,915,227	-	-	-	-
Economic and physical development	6,171,089	-	6,171,089	464,097	-	-	-
Other purposes	-	-	-	-	-	715,474	382,807
Unrestricted	1,260,990	12,894,970	14,155,960	-	5,858,954	398,790,598	1,288,208
Total net position	\$ 75,094,656	\$ 39,343,915	\$ 114,438,571	\$ 491,866	\$ 49,591,709	\$ 555,832,035	\$ 3,169,930

Craven County, North Carolina
Statement of Activities
June 30, 2020

Program Revenues					Net (Expense) Revenue and Changes in Net Position							
Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units				
					Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Craven County Regional Airport Authority	CarolinaEast Health System	Craven County ABC Board	
Primary Government:												
Governmental:												
General government	\$ 13,026,648	\$ 1,380,174	\$ 6,671,023	\$ -	\$ (4,975,451)	\$ -	\$ (4,975,451)					
Public Safety	23,546,188	3,438,127	1,155,417	-	(18,952,644)	-	(18,952,644)					
Social Services	19,946,669	760,964	12,240,723	154,899	(6,790,083)	-	(6,790,083)					
Economic and physical development	4,150,209	51,230	657,792	-	(3,441,187)	-	(3,441,187)					
Environmental protection	8,048,976	3,749,983	227,652	-	(4,071,341)	-	(4,071,341)					
Health	10,605,442	4,813,630	4,336,161	-	(1,455,651)	-	(1,455,651)					
Cultural and recreation	2,871,967	371,788	22,000	-	(2,478,179)	-	(2,478,179)					
Education	28,571,621	-	-	1,029,300	(27,542,321)	-	(27,542,321)					
Interest on long-term debt	1,347,956	-	-	-	(1,347,956)	-	(1,347,956)					
Total governmental activities	<u>112,115,676</u>	<u>14,565,896</u>	<u>25,310,768</u>	<u>1,184,199</u>	<u>(71,054,813)</u>	<u>-</u>	<u>(71,054,813)</u>					
Business-type:												
Water	<u>4,089,249</u>	<u>3,849,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,750)</u>	<u>(239,750)</u>					
Total business-type activities	<u>4,089,249</u>	<u>3,849,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,750)</u>	<u>(239,750)</u>					
Total primary government	<u>\$ 116,204,925</u>	<u>\$ 18,415,395</u>	<u>\$ 25,310,768</u>	<u>\$ 1,184,199</u>	<u>\$ (71,054,813)</u>	<u>\$ (239,750)</u>	<u>\$ (71,294,563)</u>					
Component units:												
Tourism Development Authority	\$ 469,377	\$ 556,707	\$ -	\$ -				\$ 87,330	\$ -	\$ -	\$ -	
Coastal Carolina Regional Airport Authority	3,261,009	2,451,539	1,544,514	1,148,460				-	1,883,504	-	-	
CarolinaEast Health System	421,221,505	420,241,993	-	-				-	-	(979,512)	-	
Craven County ABC Board	9,991,261	9,952,984	-	-				-	-	-	(38,277)	
Total component units	<u>\$ 434,943,152</u>	<u>\$ 433,203,223</u>	<u>\$ 1,544,514</u>	<u>\$ 1,148,460</u>				<u>\$ 87,330</u>	<u>\$ 1,883,504</u>	<u>\$ (979,512)</u>	<u>\$ (38,277)</u>	
General Revenues:												
Taxes:												
Property taxes, levied for general purposes					55,119,160	-	55,119,160	-	-	-	-	
Local option sales tax					19,828,653	-	19,828,653	-	-	-	-	
Other taxes					2,817,033	-	2,817,033	-	-	-	-	
Investment earnings, unrestricted					879,774	101,051	980,825	-	982	8,562,112	38,277	
Miscellaneous, unrestricted					1,278,071	-	1,278,071	1,360	4,908	6,041,604	-	
Transfers					<u>130,000</u>	<u>(130,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total general revenues and transfers					<u>80,052,691</u>	<u>(28,949)</u>	<u>80,023,742</u>	<u>1,360</u>	<u>5,890</u>	<u>14,603,716</u>	<u>38,277</u>	
Change in net position					<u>8,997,878</u>	<u>(268,699)</u>	<u>8,729,179</u>	<u>88,690</u>	<u>1,889,394</u>	<u>13,624,204</u>	<u>-</u>	
Net position, beginning					<u>66,096,778</u>	<u>39,612,614</u>	<u>105,709,392</u>	<u>403,176</u>	<u>47,702,315</u>	<u>542,207,831</u>	<u>3,169,930</u>	
Net position, ending					<u>\$ 75,094,656</u>	<u>\$ 39,343,915</u>	<u>\$ 114,438,571</u>	<u>\$ 491,866</u>	<u>\$ 49,591,709</u>	<u>\$ 555,832,035</u>	<u>\$ 3,169,930</u>	

CRAVEN COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,556,767	\$ 10,001,622	\$ 6,028,934	\$ 23,587,323
Short-term investments	25,394,191	-	-	25,394,191
Restricted cash	-	-	4,529,635	4,529,635
Taxes receivable	6,972,493	-	1,430,814	8,403,307
Accounts receivable	6,106,748	-	1,193,193	7,299,941
Due from other funds	377,019	-	-	377,019
Prepays	73,681	-	-	73,681
Total Assets	<u>\$ 46,480,899</u>	<u>\$ 10,001,622</u>	<u>\$ 13,182,576</u>	<u>\$ 69,665,097</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,152,590	\$ -	\$ 1,105,096	\$ 4,257,686
Accrued salaries and benefits	868,926	-	-	868,926
Due to other funds	-	-	377,019	377,019
Unspent CARES Act Funds	1,959,314	-	-	1,959,314
Total liabilities	<u>5,980,830</u>	<u>-</u>	<u>1,482,115</u>	<u>7,462,945</u>
Deferred inflows of resources	<u>1,203,432</u>	<u>-</u>	<u>50,845</u>	<u>1,254,277</u>
Fund Balances:				
Non spendable				
Prepays	73,681	-	-	73,681
Restricted:				
Stabilization by State Statute	12,415,614	-	163,893	12,579,507
General Government	-	-	2,107,453	2,107,453
Public Safety	41,029	-	1,874,198	1,915,227
Economic and physical development	-	649,880	5,521,209	6,171,089
Education, schools	-	-	2,361,585	2,361,585
Committed:				
Capital Projects	-	9,351,742	-	9,351,742
Assigned:				
For subsequent year's expenditures	1,416,294	-	-	1,416,294
Unassigned	25,350,019	-	(378,722)	24,971,297
Total fund balances	<u>39,296,637</u>	<u>10,001,622</u>	<u>11,649,616</u>	<u>60,947,875</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,480,899</u>	<u>\$ 10,001,622</u>	<u>\$ 13,182,576</u>	<u>\$ 69,665,097</u>

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

CRAVEN COUNTY, NORTH CAROLINA

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position June 30, 2020

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

Total fund balance Governmental Funds	\$ 60,947,875
Charges relating to advance refunding debt issue	2,560,478
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	65,890,222
Register of Deeds Net Pension Asset	192,901
Contributions to pension plans in the current fiscal year are deferred outflows or resources in the Statement of Net Position	2,650,184
Benefit payments and pension administration costs for LEOSSA paid in the current year are deferred outflows of resources in the Statement of Net Position	72,217
Contributions and pension administration costs for OPEB are deferred outflows of resources in the Statement of Net Position	712,737
Other Long term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds	87,530
Net pension liability (LGERS)	(9,894,633)
Total pension liability (LEOSSA)	(1,800,412)
Total OPEB liability	(16,090,524)
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the Statement of Net Position.	3,250,116
Amounts reported in the fund statements as deferred inflows of resources for tax and fee receivables.	1,353,197
Pension related deferrals	3,895,799
OPEB related deferrals	1,408,039
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(40,141,071)
Net position of governmental activities	<u><u>\$ 75,094,656</u></u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2020

	General	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 52,612,946	\$ -	\$ 2,345,004	\$ 54,957,950
Sales	18,867,104	-	961,549	19,828,653
Tourism Room	-	-	1,605,717	1,605,717
Intergovernmental	24,854,840	-	1,640,127	26,494,967
Charges for services	15,711,402	-	-	15,711,402
Interest	764,822	58,749	56,203	879,774
Miscellaneous	1,276,538	-	1,534	1,278,072
Total revenues	<u>114,087,652</u>	<u>58,749</u>	<u>6,610,134</u>	<u>120,756,535</u>
EXPENDITURES				
Current:				
General government	13,837,928	-	700,960	14,538,888
Public Safety	18,813,644	-	3,454,680	22,268,324
Environmental protection	7,655,428	-	-	7,655,428
Economic and physical development	2,400,832	-	10,028,392	12,429,224
Health	10,312,247	-	-	10,312,247
Social services	19,120,635	-	-	19,120,635
Culture and recreation	3,004,223	-	-	3,004,223
Education	28,263,664	-	307,957	28,571,621
Debt service:				
Principal	1,820,500	-	4,093,800	5,914,300
Interest	379,766	-	430,170	809,936
Total expenditures	<u>105,608,867</u>	<u>-</u>	<u>19,015,959</u>	<u>124,624,826</u>
Excess of revenues over (under) expenditures	<u>8,478,785</u>	<u>58,749</u>	<u>(12,405,825)</u>	<u>(3,868,291)</u>
OTHER FINANCING SOURCES				
Issuance of Debt	-	-	10,000,000	10,000,000
Transfers in	907,951	-	9,844,905	10,752,856
Transfers out	(9,392,128)	(638,339)	(621,612)	(10,652,079)
Total other financing sources (uses)	<u>(8,484,177)</u>	<u>(638,339)</u>	<u>19,223,293</u>	<u>10,100,777</u>
Net change in fund balances	(5,392)	(579,590)	6,817,468	6,232,486
FUND BALANCES				
Beginning	<u>39,302,029</u>	<u>10,581,212</u>	<u>4,832,148</u>	<u>54,715,389</u>
Ending	<u>\$ 39,296,637</u>	<u>\$ 10,001,622</u>	<u>\$ 11,649,616</u>	<u>\$ 60,947,875</u>

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

CRAVEN COUNTY, NORTH CAROLINA
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, 2020

Amounts reported for the government activities in the Statement of Activities are different because:

Net Change in fund balances - total government funds	\$ 6,232,486
Government 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 depreciation exceeded capital outlays in the current period.	8,641,640
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(82,903)
The contributions to the pension plans in the current fiscal year are not included in the Statement of Activities	2,650,184
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	72,217
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	712,737
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	227,019
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, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(4,085,700)
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.	(6,253,276)
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	883,474
Change in net position of governmental activities	<u>\$ 8,997,878</u>

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

CRAVEN COUNTY, NORTH CAROLINA

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL**

For the Fiscal Year ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 51,722,584	\$51,722,584	\$ 52,612,946	\$ 890,362
Sales	17,680,983	17,930,983	18,867,104	936,121
Intergovernmental	22,168,391	23,027,423	24,854,840	1,827,417
Charges for services	15,527,265	16,167,233	15,711,402	(455,831)
Interest	825,300	825,320	764,822	(60,498)
Miscellaneous	454,275	1,176,085	1,276,538	100,453
Total revenues	<u>108,378,798</u>	<u>110,849,628</u>	<u>114,087,652</u>	<u>3,238,024</u>
EXPENDITURES				
General government	14,485,029	15,094,621	13,837,928	1,256,693
Public Safety	18,775,303	19,834,841	18,813,644	1,021,197
Environmental protection	6,786,150	7,948,432	7,655,428	293,004
Economic and physical development	2,748,514	2,741,008	2,400,832	340,176
Health	10,825,066	11,408,823	10,312,247	1,096,576
Social services	20,978,183	21,396,917	19,120,635	2,276,282
Culture and recreation	2,523,078	3,519,496	3,004,223	515,273
Education - schools	28,281,073	28,281,073	28,263,664	17,409
Debt Service:				
Principal	1,820,501	1,820,501	1,820,500	1
Interest	258,156	379,768	379,766	2
Bond issuance cost	-	-	-	-
Total debt service	<u>2,078,657</u>	<u>2,200,269</u>	<u>2,200,266</u>	<u>3</u>
Total expenditures	<u>107,481,053</u>	<u>112,425,480</u>	<u>105,608,867</u>	<u>6,816,613</u>
Excess of revenues over expenditure	<u>897,745</u>	<u>(1,575,852)</u>	<u>8,478,785</u>	<u>10,054,637</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,901,375	4,033,976	907,951	(3,126,025)
Transfer out	(4,717,910)	(9,666,981)	(9,392,128)	274,853
Total other financing sources (uses)	<u>(1,816,535)</u>	<u>(5,633,005)</u>	<u>(8,484,177)</u>	<u>(2,851,172)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(918,790)</u>	<u>(7,208,857)</u>	<u>(5,392)</u>	<u>7,203,465</u>
Appropriated fund balance	<u>918,790</u>	<u>7,208,857</u>	<u>-</u>	<u>(7,208,857)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(5,392)</u>	<u>\$ (5,392)</u>
FUND BALANCE				
Beginning			<u>39,302,029</u>	
Ending			<u>\$ 39,296,637</u>	

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Eliminations	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 13,231,825	\$ -	\$ -	\$ 13,231,825	\$ 3,546,687
Accounts receivable, net of allowance for doubtful accounts	486,746	-	-	486,746	52,622
Prepays	44,801	-	-	44,801	12,000
Capital lease receivable-current	-	81,890	(81,890)	-	-
Total current assets	13,763,372	81,890	(81,890)	13,763,372	3,611,309
Noncurrent Assets:					
Capital Lease receivable-noncurrent	-	320,457	(320,457)	-	-
Capital assets:					
Land	947,354	-	-	947,354	-
Construction in process	181,804	-	-	181,804	-
Improvements other than buildings	30,117,385	-	-	30,117,385	-
Buildings	30,695,648	-	-	30,695,648	-
Machinery and equipment	520,429	-	-	520,429	-
Less accumulated depreciation	(21,860,957)	-	-	(21,860,957)	-
Total capital assets (net of accumulated depreciation)	40,601,663	-	-	40,601,663	-
Total noncurrent assets	40,601,663	320,457	(320,457)	40,601,663	-
Total assets	54,365,035	402,347	(402,347)	54,365,035	3,611,309
DEFERRED OUTFLOWS OF RESOURCES	189,052	-	-	189,052	-
LIABILITIES					
Current Liabilities					
Accounts payable	217,924	-	-	217,924	361,193
Accrued salaries and benefits	5,878	-	-	5,878	-
Accrued interest payable	-	1,776	-	1,776	-
Customer deposit payable	305,965	-	-	305,965	-
Compensated absences liability - current	28,486	-	-	28,486	-
Installment notes payable - current	807,174	80,114	-	887,288	-
Obligations under capital assets lease - current	81,890	-	(81,890)	-	-
Total current liabilities	1,447,317	81,890	(81,890)	1,447,317	361,193
Noncurrent liabilities					
Compensated absences liability	14,689	-	-	14,689	-
Net pension liability	225,072	-	-	225,072	-
Total OPEB Liability	246,982	-	-	246,982	-
Installment notes payable	12,944,972	320,457	-	13,265,429	-
Obligations under capital lease	320,457	-	(320,457)	-	-
Total noncurrent liabilities	13,752,172	320,457	(320,457)	13,752,172	-
Total Liabilities	15,199,489	402,347	(402,347)	15,199,489	361,193
DEFERRED INFLOWS OF RESOURCES	10,683	-	-	10,683	-
NET POSITION					
Net Investment in capital assets	26,448,945	-	-	26,448,945	-
Unrestricted	12,894,970	-	-	12,894,970	3,250,116
Total net position	\$ 39,343,915	\$ -	\$ -	\$ 39,343,915	\$ 3,250,116

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year ended June 30, 2020

	Business Type Activities - Enterprise Funds			Governmental
		Non-major Northwest		Activities -
	Water	Craven Water and	Total	Internal
	Fund	Sewer District		Service Fund
OPERATING REVENUES				
Charges for services	\$ 3,788,451	\$ -	\$ 3,788,451	\$ 6,648,329
Miscellaneous	61,048	-	61,048	197,202
Total operating revenues	<u>3,849,499</u>	<u>-</u>	<u>3,849,499</u>	<u>6,845,531</u>
OPERATING EXPENSES				
Cost of services	2,394,929	-	2,394,929	5,991,937
Depreciation and amortization	1,681,889	-	1,681,889	-
Total operating expenses	<u>4,076,818</u>	<u>-</u>	<u>4,076,818</u>	<u>5,991,937</u>
Operating income/(loss)	<u>(227,319)</u>	<u>-</u>	<u>(227,319)</u>	<u>853,594</u>
NONOPERATING REVENUES				
(EXPENSES)				
Interest income	101,051	-	101,051	657
Interest expense	-	(12,431)	(12,431)	-
Total net nonoperating revenues	<u>-</u>	<u>(12,431)</u>	<u>(12,431)</u>	<u>-</u>
(expenses)	<u>101,051</u>	<u>(12,431)</u>	<u>88,620</u>	<u>657</u>
Income (loss) before transfers	<u>(126,268)</u>	<u>(12,431)</u>	<u>(138,699)</u>	<u>854,251</u>
Transfers in	18,000	12,431	30,431	29,223
Transfers out	(160,431)	-	(160,431)	-
Total transfers in (out)	<u>(142,431)</u>	<u>12,431</u>	<u>(130,000)</u>	<u>29,223</u>
Change in net position	<u>(268,699)</u>	<u>-</u>	<u>(268,699)</u>	<u>883,474</u>
Net position, beginning	<u>39,612,614</u>	<u>-</u>	<u>39,612,614</u>	<u>2,366,642</u>
Net position, ending	<u>\$ 39,343,915</u>	<u>\$ -</u>	<u>\$ 39,343,915</u>	<u>\$ 3,250,116</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,071,994	\$ -	\$ 4,071,994	\$ 6,844,137
Payments to customers and suppliers	(1,373,871)	-	(1,373,871)	(6,036,597)
Payments to employees	(934,521)	-	(934,521)	
Net cash provided by (used in) operating activities	<u>1,763,602</u>	<u>-</u>	<u>1,763,602</u>	<u>807,540</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions & construction of capital assets	(274,798)	-	(274,798)	-
Repayment of installment notes and bonds	(808,950)	-	(808,950)	-
Payments on obligations under capital lease payable	-	(80,114)	(80,114)	-
Interest paid	-	(12,786)	(12,786)	-
Net cash used in capital and related financing activities	<u>(1,083,748)</u>	<u>(92,900)</u>	<u>(1,176,648)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	18,000	92,900	110,900	29,223
Transfer out	(240,900)	-	(240,900)	-
Net cash provided by (used in) noncapital financing activities	<u>(222,900)</u>	<u>92,900</u>	<u>(130,000)</u>	<u>29,223</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on cash and investments	101,051	-	101,051	657
Net cash provided by investing activities	<u>101,051</u>	<u>-</u>	<u>101,051</u>	<u>657</u>
Net increase (decrease) in cash and cash equivalents	558,005	-	558,005	837,420
CASH AND CASH EQUIVALENTS				
Beginning	<u>12,718,463</u>	<u>-</u>	<u>12,718,463</u>	<u>2,709,267</u>
Ending	<u>\$ 13,276,468</u>	<u>\$ -</u>	<u>\$ 13,276,468</u>	<u>\$ 3,546,687</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (227,319)	\$ -	\$ (227,319)	\$ 853,594
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,681,889	-	1,681,889	-
Change in assets, liabilities, and deferred inflows and outflows:				
(Increase) decrease in accounts receivable	217,945	-	217,945	(1,394)
(Increase) decrease in prepaids	2,882	-	2,882	-
(Increase) decrease in deferred outflows of resources - pension	16,573	-	16,573	-
(Increase) decrease in deferred outflows of resources - OPEB	(29,238)	-	(29,238)	-
Increase (decrease) in accounts payable	(29,917)	-	(29,917)	(44,660)
Increase (decrease) in accrued payroll	(9,388)	-	(9,388)	-
Increase (decrease) in customer deposits	4,550	-	4,550	-
Increase (decrease) in compensated absences	(1,468)	-	(1,468)	-
Increase (decrease) in net pension liability	25,803	-	25,803	-
Increase (decrease) in total OPEB liability	67,143	-	67,143	-
Increase (decrease) in deferred inflows of resources - pension	-	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	(496)	-	(496)	-
Net cash provided by (used in) operating activities:	<u>\$ 1,718,959</u>	<u>\$ -</u>	<u>\$ 1,718,959</u>	<u>\$ 807,540</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF FIDICIARY NET POSITION
June 30, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$ 116,403
Total assets	<u>116,403</u>

LIABILITIES

Current liabilities

Accounts payable and accrued

liabilities	116,403
Total liabilities	<u>\$ 116,403</u>

NOTES TO FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from or cannot be included in the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

Craven County, North Carolina

Notes to Financial Statements

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

Summary of Significant Accounting Policies

The accounting policies of Craven County, North Carolina ("the County") and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

Craven County (the County), which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. The County is located near the coast in eastern North Carolina, with its seat of government in the City of New Bern. The County is responsible for providing a full range of governmental services, including police and fire protection to residents in unincorporated areas of the County, health and social services, recreational programs, ambulance services, recycling operations, and operational and capital funding support for the public school systems.

As required by generally accepted accounting principles, these financial statements present the County (primary government) and its component units, legally-separate entities for which the County is financially accountable. The four discretely presented component units presented below are reported in separate columns in the County's government-wide financial statements in order to emphasize that they are legally separate from the County.

Craven County Tourism Development Authority. The Craven County Tourism Development Authority ("Tourism Development Authority") is governed by members appointed by the County Commissioners, the New Bern Board of Aldermen, the Havelock Board of Commissioners, and non-profit agencies. The County is financially accountable for the Tourism Development Authority, as the Tourism Development Authority derives its revenues through a special room occupancy tax authorized and revocable by the County Commissioners. The Tourism Development Authority does not issue separate financial statements.

Coastal Carolina Regional Airport Authority. The Coastal Carolina Regional Airport Authority ("Airport Authority") was established by a joint agreement between the City of New Bern and the County pursuant to State statute. The governing board is selected by the County Commissioners and the County is responsible for financing any operating deficits of the Airport. The County must approve issuance of any revenue bonds. The Airport Authority does not issue separate financial statements.

CarolinaEast Health System. The Craven County Commissioners established the CarolinaEast Health System ("Health System") to provide medical services to County residents. The Commissioners select the Health System's governing board. In addition, Craven County leases land and improvements to The Health System for \$1 per year "in perpetuity", and therefore does not record these assets in the County's financial statements. The Health System's financial statements are presented as of and for the year ended September 30, 2017 as if it were a proprietary fund. Complete financial statements for the Health System may be obtained at 2000 Neuse Boulevard, New Bern, NC 28561.

Craven County Alcoholic Beverage Control Board. The Craven County Alcoholic Beverage Control Board ("ABC Board") is governed by a board appointed by the County Commissioners. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. The ABC Board's financial statements are presented as of and for the year ended June 30, 2018 as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained at 3493 Martin Drive, New Bern, NC 28561.

Blended component units are separate legal entities whose operations are so intertwined with Craven County that they are, in substance, the same as Craven County. The County's non-major blended component units are the following water and sewer districts, which have been established to provide water and sewer services to the residents of the respective districts:

Northwest Craven Water and Sewer District. The County has entered into an agreement with each existing District, which will encompass additional Districts as they are created, that transfers all assets, liabilities (excluding bonded indebtedness, loans, and installment notes), operational rights, and responsibilities to Craven County. In consideration for this agreement, the County has agreed to pay the Districts an amount equal to debt service costs for the respective Districts for the duration of the respective bonds, loans, and notes.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The County maintains the Districts' assets, provides water operations and makes payments on outstanding debts on behalf of the respective Districts. Therefore, the County's financial statements reflect the assets and debts in the Craven County Water Fund. The Board of County Commissioners sits as the Board of each District. No separate financial statements are issued by these Districts as their operations are reported in aggregate in the County's water fund which operates the separate systems for the various districts. Certain outstanding debt that is paid on their behalf by Craven County pursuant to the agreement noted above. The outstanding liabilities of the Districts are presented in individual statements along with the other proprietary funds, and the balances within the District and the corresponding balances in the Craven County Water fund are eliminated through internal balances.

The agreement terminates with each district at the time there is no outstanding debt. At this point the County has the option to purchase for \$1 all of the real and personal property owned by the districts. There is no outstanding debt for Tuscarora Rhems Water and Sewer District, East Craven Water and Sewer District, Township 6 Water and Sewer District, Neuse River Water and Sewer District, or Pembroke Water and Sewer District. The County has exercised its option to purchase the real and personal property of Tuscarora Rhems Water and Sewer District and East Craven Water and Sewer District.

Craven County Finance Corporation. Craven County Finance Corporation (CCFC) is a nonprofit public benefit corporation. The Corporation was organized and shall be operated exclusively for the purpose of providing debt financing for the County, to fulfill various statutory obligations involving, but not limited to, purchase and sale, construction and/or lease of real estate and improvements, facilities, and equipment. County debt and debt payments are made by the County's governmental funds. CCFC is a blended component unit and does not issue separate financial statements. During the June 30, 2020 year, the CCFC had no activity.

Basis of Presentation

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

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major 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. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Reserve Fund. This capital projects fund is used to reserve funds and provide financial resources for future capital projects.

The County reports the following major enterprise fund:

Water Fund. This is used to account for the operation of water services provided throughout Craven County.

The County reports the following other fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Municipal Property Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County; and the Deed of Trust Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Internal Service Fund. This fund is used to finance and account for the County's health and dental insurance and workers' compensation program information. The County utilizes North Carolina Association of County Commissioners to insure these programs.

Measurement Focus, Basis of Accounting

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

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

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

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

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting (continued)

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

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

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

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

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

Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes.

- 1.) The County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operational budget includes proposed expenditures and the means of financing them.
- 2.) Public hearings are conducted to obtain taxpayer comments.
- 3.) The budget is legally enacted through passage of an ordinance by June 30 each year.

The Board of Commissioners may amend the budget ordinance at any time after its adoption as long as the amended ordinance continues to meet the requirements of North Carolina's "Local Government Budget and Fiscal Control Act". No amendment may change the property tax levy unless the Board of Commissioners is so ordered by competent authority. During the year, several supplementary appropriations to the original budget were necessary. Individual amendments to the ordinance were not material in relation to the original appropriations, and all amendments were legally made. The budget amounts shown in the basic financial statements include the original budget as adopted prior to July 1, 2019, and the budget as amended at June 30, 2020.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Budgetary Data (continued)

Under State statutes, actual expenditures cannot exceed budgetary appropriations at the lowest level at which the budget ordinance is formally approved, which is at the departmental level. The County's budget ordinance authorizes expenditures by department total (the legal level of control) for all funds, including the enterprise funds. All budgets, including the enterprise funds' budgets, are fixed in nature. For internal management purposes, the budgets are detailed by line item within each department and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. All budgets are prepared using the modified accrual basis of accounting.

The County Manager is authorized to transfer appropriations within a fund up to \$20,000; however, the governing board must approve any revisions that alter total expenditures of any fund or exceed \$20,000. Annual appropriated budgets are adopted for the General Fund, certain Special Revenue Funds (all fire districts funds), the Debt Service Fund, and all Proprietary Funds. The budget for Capital Projects Funds, and certain Special Revenue Funds, authorize activity for the life of each individual project. All annual appropriations lapse at fiscal year-end, whereas all project appropriations lapse at the end of the project.

The budget, as authorized for the General Fund, includes certain receipts to be received for and disbursed to, or on behalf of, other entities, or individuals, by the County as fiscal agent. For financial reporting purposes, these agency receipts and disbursements are reclassified to a separate agency fund.

The budgets for the enterprise funds are prepared on a modified accrual basis of accounting which excludes depreciation expense and recognizes purchases of capital assets as current expenditures. For financial reporting purposes, the activity of the enterprise funds has been reported using the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America.

Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

Deposits and Investments. The deposits of the County and its component units are made in Board designated official depositories and are secured as required by General Statute 159-31. They may designate as an official depository, any bank or savings and loan institution whose principal office is located in North Carolina. They may also establish time deposits in the form of NOW accounts, SuperNOW and money market accounts and certificates of deposit.

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

The majority of the County and its component unit's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

The CarolinaEast Health System has investments in debt and marketable equity securities which are carried at fair value. Fair value of investments other than those of the NCCMT and the First American Prime Obligation Fund are determined by quoted market prices. Amounts in the NCCMT (an SEC registered 2a-7 money market fund) and the First American Prime Obligation Fund are valued at the fair values as determined by the share prices. Debt securities consist primarily of obligations of the U.S. government, commercial paper and corporate bonds. Marketable equity securities consist primarily of common stocks that are traded or listed on national exchanges. Gains and losses on debt and marketable equity securities, both realized and unrealized, are included in non-operating income. Interest and dividends on investments in debt and equity securities are included in non-operating income when earned. Short-term investments include marketable securities representing the investment of cash available for current operations. They are not considered cash equivalents since the Health System considers them part of their investing activities.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Cash and Cash Equivalents. The County pools cash from several funds and invests these funds jointly, including certain funds of the Airport Authority, to facilitate disbursement and investment and to maximize investment income. Each fund owns a pro rata share of the cash and investments pool. Investment earnings of the pool are allocated to all funds based on the individual fund's average cash balances outstanding during the month.

For the purposes of the County's proprietary fund types statement of cash flows, all highly liquid investments outside of the pool with an original maturity of three months or less when purchased are considered to be cash equivalents. For amounts in the County's cash and investment pool, since cash pools have the general characteristics of demand deposit accounts in that the individual funds may deposit additional cash at any time and withdraw cash at any time without prior notice or penalty, such cash and investments are considered to be cash.

Restricted Assets. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statutes 159-18 through 22. Unspent loan proceeds related to the Convention Center restoration project are also shown as restricted. Money at the Coastal Carolina Regional airport received from the State Aid to Airports program has been restricted.

Craven County Restricted Cash

Governmental Activities

School Capital Projects Fund	Unexpended Public School Building funds	\$ 160,053
Convention Center Restoration Project	Unexpended installment loan proceeds	4,369,582
		<u>\$ 4,529,635</u>

Component Units

Coastal Carolina Regional Airport	State Aid to Airport Funds Appropriated	<u>\$ 381,847</u>
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Ad Valorem Taxes Receivable. In accordance with North Carolina General Statutes [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles at July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

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

Patient Receivables Allowance for Doubtful Accounts. Allowances for doubtful accounts are maintained on all types of receivables which historically experience uncollectible accounts.

Exclusive of ad valorem taxes, the following summarizes other allowances for doubtful accounts by fund and receivable type at June 30, 2020:

Water Fund receivables allowance	\$ 27,630
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Component Unit - CarolinaEast Health System

Patient receivables allowance (at September 30, 2019)	\$ 22,981,478
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Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Inventories. Inventories of the Health System and the ABC Board are valued at the lower of cost, (first-in, first-out) or net realizable value. The Health System inventory consists of expendable items, including pharmaceuticals and general supplies, held for sale to patients or consumption. The Health System inventories are recorded as expenses when consumed rather than when purchased. The ABC Board inventory consists of alcoholic beverages held for sale.

Prepaid Items. Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items. Prepaid items for the County's governmental funds are treated using the consumption method.

Assets Whose Use is Limited. CarolinaEast Health System's noncurrent cash and investments are designated or restricted for long-term purposes. Designated assets include assets set aside by the Board for future capital improvements over which the Board retains control.

Capital Assets. In the government-wide and proprietary fund financial statements, purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is \$5,000 for all capital assets. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives of the individual assets:

Buildings	25-50 Years
Improvements other than buildings	10-40 Years
Machinery and equipment and vehicles	5-10 Years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In governmental fund financial statements, capital outlays are recognized as expenditures and no depreciation is recognized.

When the County leases capital assets to a discretely presented component unit for a nominal amount, the County reports those capital assets and related depreciation in the component unit. Depreciation of all depreciable capital assets is charged as an expense against their operations. Accumulated depreciation is reported in the statement of net position.

Capital assets of the Airport Authority and the ABC Board are depreciated over the estimated useful lives of the individual assets on a straight-line basis.

CarolinaEast Health System policy is to generally capitalize assets with a cost of \$1,000 or greater. The Health System provides for depreciation using the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the depreciable properties. The range of estimated useful lives of major categories of property and equipment are as follows:

Land improvements	5 - 25 years
Building and improvements	15-40 years
Equipment	3 - 20 years

Intangible Assets. Intangible capital assets consist of goodwill of the Health System associated with cost in excess of fair value of the net assets of certain entities acquired in purchase transactions. Goodwill is being amortized on a straight-line basis over 5 to 30 years. Estimated future amortization expense of intangible assets is as follows:

2020	\$	518,424
2021		518,424
2022		518,424
2023		518,424
2024		7,696
Thereafter		-
	\$	<u>2,081,392</u>

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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

Long-Term Obligations. In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position.

In the fund financial statements for governmental fund types, the face amount of long-term debt issued is reported as another financing source. These statements report debt service payments (including principal) as expenditures.

Compensated Absences. For the County's government-wide financial statements and in proprietary fund statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. 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. The County or its component units do not have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made. Compensated absences are not recognized in governmental fund financial statements until they are due to be paid.

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

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

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

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. The following are the County's nonexpendable fund balances as of June 30, 2020:

Prepays - Portion of fund balance that is not available resource because it represents the year-end balances of ending prepaids, which are not spendable resources.

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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: North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 158-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included with RSS. RSS is included as component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for public safety: Portion of fund balance that is restricted by revenue source for public safety expenditures.

Restricted for economic and physical development: Portion of fund balance that is restricted by revenue source for economic and physical development.

Restricted for education, schools: Portion of fund balance that is restricted by revenue source for the repayment of debt related to school construction projects or used for School Capital per G.S. 159-18-22.

Committed fund balance: Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Craven County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires the majority action by the governing body.

Committed for capital projects: Portion of fund balance committed by the County Board of Commissioners for the construction of specific assets held in the capital reserve fund. Specific board action is required to transfer funds out of this fund.

Assigned fund balance: Portion of fund balance that Craven County intends to use for specific purposes.

Assigned for subsequent year's expenditures: Portion of total fund balance (if any) that is appropriated in the next year's budget that is not already classified as restricted or committed.

Unassigned: The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

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

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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

Total Fund Balance - General Fund	\$ 39,296,637
Less:	
Prepays	73,681
Stabilization by State Statute	12,415,614
General Government	-
Public Safety	41,029
Economic and physical development	-
Education, schools	-
Committed for capital projects	-
Appropriated Fund Balance in 2021 Budget	1,416,294
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	25,350,019

Defined Benefit Pension Plans

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

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)*Reconciliation of Government-wide and Fund Financial Statements*

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 total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$13,885,074 consists of several elements as follows:

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)	\$ 124,186,969
Less accumulated depreciation	<u>(58,296,747)</u>
Net capital assets	65,890,222
Net pension asset	192,901
Contributions to the pension plan in the current fiscal year	2,650,184
Benefit payments and pension administration costs for LEOSA	72,217
Contributions to OPEB plan in the current fiscal year	712,737
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	87,530
Deferred outflows of resources related to refunding-included on government-wide Statement of Net Position but are not current financial resources	2,560,478
Deferred inflows of resources reported in the fund financial statements but not the government-wide statements	1,353,197
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position for the governmental activities	3,250,116
Pension related deferrals	3,895,799
OPEB related deferrals	1,408,039
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not reported in the fund statements:	
Installment notes financing	(31,128,150)
General obligation bonds	(5,947,000)
Accrued interest payable	(104,797)
Total OPEB Liability	(16,090,524)
Compensated absences	(2,961,124)
Net pension obligation (LEOSA)	(1,800,412)
Net pension obligation (LGERS)	<u>(9,894,633)</u>
Total Adjustment	<u>\$ 14,146,780</u>

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)*Reconciliation of Government-wide and Fund Financial Statements (Continued)*

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-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 for the 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 \$2,503,686 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 13,102,101
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	(4,460,461)
Cost of disposed capital asset not recorded in fund statements.	(82,903)
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.	(10,000,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements	5,914,300
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,650,184
Benefit payments and administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	72,217
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	712,737
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in fund statements:	
Compensated absences	95,088
OPEB expense	(1,206,906)
Pension expense	(4,603,438)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(42,494)
Bond refunding costs, premiums and other similar items, are amortized in the government-wide statements but not in the fund statements because they do not use current resources	(495,526)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements.	227,019
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	883,474
Total adjustment	<u><u>\$ 2,765,392</u></u>

Note 2. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

Beginning with the fiscal year ended June 30, 2012, the ABC Board was required to operate under a balanced budget in accordance with G.S. 188-702. At June 30, 2020, the ABC Board had budgetary lines that exceeded the amended budget at the level of detail in which the budget was authorized as follows:

	Original Budget	Revised Budget	Actual	Negative Variance
Cost of Goods Sold	\$ 6,070,486	\$ 6,732,486	\$ 6,739,632	\$ 7,146
Taxes based on revenue	2,707,980	2,980,980	2,983,328	2,348
Distributions	1,000,000	1,299,300	1,477,682	178,382

Note 3. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County and its component units' deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the units' agents in the units' 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 units, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for noninterest 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 units or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the units 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and its component unit's relies on the State Treasurer to monitor those financial institutions. The County, the ABC Board, the Tourism Development Authority, the Airport Authority and the Health System do not have policies regarding custodial credit risk for deposits.

At June 30, 2020, the County's (primary government) deposits had a carrying amount of \$40,702,291, and a bank balance of \$43,106,002. Of the bank balance, \$250,000 was covered by federal depository insurance and \$42,856,002 was covered by collateral held under the pooling method. The County is required to maintain a certificate of deposit totaling \$60,000 at a bank.

At June 30, 2020, Craven County had \$13,970 cash on hand.

Component Unit Information

At June 30, 2020, the Tourism Development Authority had a carrying amount of \$465,048 and a bank balance of deposits of \$471,344. Of the bank balance, \$250,000 was covered by federal depository insurance and \$221,344 was covered by collateral held under the pooling method.

At June 30, 2020, the Airport Authority had a carrying amount of \$5,571,012 and a bank balance of deposits of \$5,584,735. The Airport Authority and the County share a common operating bank account, therefore, the bank balance was covered one-hundred percent by collateral held under the pooling method. Of the carrying amount, \$3,510 was cash on hand.

Note 3. Detail Notes on All Funds (Continued)

1. Deposits (Continued)

At June 30, 2020, the ABC Board had \$11,250 in cash on hand, and deposits in financial institutions with a carrying amount of \$1,243,019 and a bank balance of \$1,261,375. Of the bank balance, \$341,056 was covered by federal depository insurance and \$901,963 was covered by collateral held under the pooling method.

At September 30, 2019, the carrying amount of deposits for the Health System was \$38,494,472 and the bank balance was \$39,757,789. Of the bank balance, \$750,000 was covered by federal depository insurance and \$39,757,789 was covered by collateral held under the pooling method. Cash and cash equivalents consist of the following as of September 30, 2019:

Cash on hand	\$	9,939
Deposits		38,494,472
Mutual fund money markets		216,324
	\$	<u>38,720,735</u>

2. Investments

As of June 30, 2020 the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Reported Value	Less Than Six Months	6-12 Months
NC Capital Management Trust, Government Portfolio	Fair Value-Level 1	\$ 8,532,083	\$ 8,532,083	\$ -
NC Capital Management Trust, Term Portfolio	Fair Value-Level 1	21,171,690	21,171,690	-
		<u>\$ 29,703,773</u>	<u>\$ 29,703,773</u>	<u>\$ -</u>

* As of June 30, 2020, the NC Capital Management Trust (NCCMT) Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. However, as a means of limiting this exposure, the County's investment policy limits the County's investment portfolio to maturities of less than 5 years. Also maturity dates are to be staggered to avoid undue concentration in specific maturity sectors.

Credit Risk: State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. Instead, the County informally utilizes the State Law to minimize credit risks. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk.

Concentration of Credit Risk: The County places no limit on the amount that the County may invest in any one issuer.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

The Health System employs a blend of management styles to diversify its portfolio, reduce overall risk and create a superior opportunity for positive returns. Such approaches are intended to ensure the Health System has adequate reserves to hedge against unanticipated events, and allow the Health System to accomplish its short-term and long-term capital plan as well as to earn an acceptable return on available funds through a total return concept of managed assets, thereby supplementing capital and operational expenses.

By policy, the Health System's investment portfolio should be comprised of approximately 30% fixed income and 70% equity with fixed income and equity tolerable variability of +/- 5%.

CarolinaEast Health System Investment Type	Fair Value	Maturity
US Government Agency Mutual Funds	\$ 42,342	N/A
Vanguard Bond Mutual Funds-Corp	59,128	N/A
Equity Securities and Mutual Funds	230,484	N/A
Short Term Cash Equivalents	108	N/A
NC Capital Management Trust	23,431	N/A
Bond Proceeds	-	N/A
	<u>\$ 355,493</u>	

The above table does not include \$216,324 which is included in unrestricted cash and cash equivalents.

	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Fair Value at 9/30/19
Assets:				
Mutual Funds				
Money market	\$ 107,725	\$ -	\$ -	\$ 107,725
Fixed Income	101,266,216	-	-	101,266,216
Equity	230,484,916	-	-	230,484,916
Total assets at fair value	<u>\$ 331,858,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,858,857</u>
Liability				
Interest rate swap	<u>\$ -</u>	<u>\$ (1,388,580)</u>	<u>\$ -</u>	<u>\$ (1,388,580)</u>

Cash and cash equivalents as of 9/30/2019 not included above \$ 38,504,412

North Carolina Management Capital Trust - cash portfolio as of 9/30/2019 carried at amortized cost. \$ 23,646,835

Interest receivable as of 9/30/2019 not included above \$ 203,182

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds and common stock which are valued based on prices readily available in active markets in which those securities are traded. Level 2 investments include an interest rate swap agreement which is valued on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Level 3 investments include hedge funds which are valued based on unobservable inputs about which little or no market data exists.

The System does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 during 2019. There were no changes during 2019 to the System's valuation technique used to measure asset and liability fair values on a recurring basis.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses, the Health System's investment policy dictates that mortgage backed securities or other asset backed securities will never comprise more than 40% of the fixed income portfolio and corporate debt securities will never comprise more than 60% of the fixed income portfolio. Additionally, the policy provides that the maximum maturity of any non-mortgage backed fixed income instrument will not exceed 12 years without the approval of the Health System's Investment Committee and investment managers, should not exceed a 7-year expected weighted average maturity for investments in mortgage backed paper and government agencies including Gennie Maes, Freddie Macs, or Fannie Maes.

Credit Risk: The Health System's investment policy requires corporate obligations to meet the commercial paper rating of A1 by Moody's or P1 by Standard & Poor's and bond rating in the "BBB" category or better by Standard & Poor's, Moody's, and Fitch. "BBB" securities will be limited to 10% of the fixed income portfolio. No single "BBB" issue will be greater than \$500,000 face value at purchase. Obligations of the U.S. Government or explicitly guaranteed by the U.S. Government are generally not considered to have credit risk.

As of September 30, 2019, the total quality ratings for the above holdings were as follows:

	Holdings			
	US Government Agencies	Corporate/Other Bond Mutual Funds	Short term Cash Equivalents	NC Capital Management Trust
AAA	100.00%	18.65%	100.00%	100.00%
AA		11.17%		
A		33.35%		
BBB		35.45%		
BB		0.62%		
B		0.07%		
Caa		0.07%		
Not Rated		0.62%		
Total	100.00%	100.00%	100.00%	100.00%

Concentration of Credit Risk: The Health System's investment policy states individual cumulative debt instruments by any one issuer shall be confined to a maximum of 5% of the fixed income portfolio. There is no concentration of credit risk.

Equity Investment Guidelines: Each equity holding will be limited to 6% of the equity portfolio determined at the time of investment.

Permissible types of equity investments include equities of U.S. and foreign companies listed on the NYSE, ASE and NASDAQ traded OTC securities to include common and preferred and convertible preferred stocks. Equity investments may also include publicly traded mutual funds, unit trusts and other common investment funds comprised of commingled securities listed on the NYSE, ASE and NASDAQ traded OTC securities.

Alternative Assets: A fund of funds hedge fund is employed to offer diversification as an investment alternative with low correlation to fixed income and equity securities. A fund of funds performance is measured against the performance of an appropriate hedge fund index.

Other Investment Guidelines: The primary portfolio shall contain no derivatives to enhance the overall yield of the stock or bond portfolio. The Alternative Asset class may use derivatives. Investment managers must maintain compliance with State of North Carolina laws and regulations, and all other applicable laws, rules and regulations.

Due to the level of risks associated with investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near future and such changes could materially affect the amounts reported in these financial statements.

Note 3. Detail Notes on All Funds (Continued)**2. Investments (Continued)**

As of June 30, 2020 the ABC Board had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value at 6/30/20	Maturity	Rating
US Government Treasuries	Fair Value-Level 1	\$ 902,124	Up to 3 years	AAA
US Government Agencies	Fair Value-Level 1	90,697	Up to 3 years	AAA
NC Capital Management Trust Government FD #47	Fair Value-Level 1	683,012	Up to 3 years	AAA
		<u>\$ 1,675,833</u>		

3. Property Tax - Use-Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2017	\$ 1,319,629	\$ 432,259	\$ 1,751,888
2018	1,335,116	317,145	1,652,261
2019	1,321,059	194,873	1,515,932
2020	1,371,457	78,859	1,450,316
Total	<u>\$ 5,347,261</u>	<u>\$ 1,023,136</u>	<u>\$ 6,370,397</u>

Note 4. Receivables

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

	Accounts Receivable	Taxes Receivable	Interest Receivable	Total
Governmental Activities				
General	\$ 6,106,748	\$ 7,672,493	\$ 87,530	\$ 13,866,771
Other Governmental	1,243,021	1,433,608	-	2,676,629
Total Receivables	7,349,769	9,106,101	87,530	16,543,400
Allowance for Doubtful Accounts		(700,000)		(700,000)
Total - governmental activities	<u>\$ 7,349,769</u>	<u>\$ 8,406,101</u>	<u>\$ 87,530</u>	<u>\$ 15,843,400</u>
Business-type activities				
Water	\$ 514,376	\$ -	\$ -	\$ 514,376
Allowance for doubtful accounts	(27,630)	-	-	(27,630)
Total - business-type activities	<u>\$ 486,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,746</u>

Taxes Receivable includes receivables for local option sales tax and sales tax refunds receivable.

Note 5. Capital Assets

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

	Capital Assets			Capital Assets
	June 30, 2019	Additions	Retirements	June 30, 2020
Governmental Activities				
Capital assets, not being depreciated				
Land, other	\$ 10,071,206	\$ 52,977	\$ 82,903	\$ 10,041,280
Construction in progress	120,694	9,746,051	-	9,866,745
Total capital assets not being depreciated	10,191,900	9,799,028	82,903	19,908,025
Capital assets, being depreciated				
Buildings	66,931,247	6,414	-	66,937,661
Vehicles	6,551,844	1,107,705	531,547	7,128,002
Equipment	8,785,106	339,956	63,472	9,061,590
Other improvements	19,302,693	1,848,998	-	21,151,691
Total capital assets being depreciated	101,570,890	3,303,073	595,019	104,278,944
Less accumulated depreciation for:				
Buildings	35,256,076	2,078,464	-	37,334,540
Vehicles	4,940,436	709,372	531,547	5,118,261
Equipment	5,275,564	764,756	63,472	5,976,848
Other Improvements	8,959,229	907,869	-	9,867,098
Total accumulated depreciation	54,431,305	\$ 4,460,461	\$ 595,019	58,296,747
Total capital assets, being depreciated, net	47,139,585			45,982,197
Governmental activity capital assets, net	\$ 57,331,485			\$ 65,890,222
Business-type Activities				
Capital assets, not being depreciated				
Land, other	\$ 947,354	\$ -	\$ -	\$ 947,354
Construction in process	44,965	136,839	-	181,804
Total capital assets not being depreciated	992,319	136,839	-	1,129,158
Capital assets, being depreciated				
Buildings & other improvements	60,771,026	42,006	-	60,813,032
Vehicles	288,576	67,880	34,764	321,692
Equipment	170,814	28,073	-	198,887
Total capital assets being depreciated	61,230,416	137,959	34,764	61,333,611
Less accumulated depreciation for:				
Buildings & other improvements	19,856,756	1,628,033	-	21,484,789
Vehicles	231,371	51,501	34,764	248,108
Equipment	125,855	2,355	-	128,210
Total accumulated depreciation	20,213,982	\$ 1,681,889	\$ 34,764	21,861,107
Total capital assets, being depreciated, net	41,016,434			39,472,504
Business activity capital assets, net	\$ 42,008,753			\$ 40,601,662

Note 5. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 883,230
Public Safety	1,723,204
Social services	494,338
Economic and physical development	666,231
Health	374,202
Environmental protection	86,057
Culture and recreation	233,199
Total depreciation expense, governmental activities	<u>\$ 4,460,461</u>

Business-type activities:

Water Fund	\$ 1,681,889
Total depreciation expense-business-type activities	<u>\$ 1,681,889</u>

Construction commitments

The government has an active construction project as of June 30, 2020. At June 30, 2020, the government's commitment with a contractor is as follows:

Project	Spent-to-date	Remaining Commitment
Convention Center	\$ 8,017,202	\$ 3,197,223
Courthouse Restoration Project	63,023	85,320
Creekside Park Maintenance	328,376	181,963
Total	<u>\$ 8,408,601</u>	<u>\$ 3,464,506</u>

Discretely presented component units

The following is a summary of the capital assets of the Airport Authority at June 30, 2020.

	Year ended June 30, 2020			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 9,649,508	\$ -	\$ -	\$ 9,649,508
Construction in progress	9,940,096	2,403,135	(1,214,763)	11,128,468
Total capital assets, not being depreciated	<u>19,589,604</u>	<u>2,403,135</u>	<u>(1,214,763)</u>	<u>20,777,976</u>
Capital assets, being depreciated				
Buildings	9,450,092	-	-	9,450,092
Improvements other than buildings	31,983,233	1,243,786	-	33,227,019
Machinery, equipment, and vehicles	2,233,418	51,586	(2,816)	2,282,188
Total capital assets being depreciated	<u>43,666,743</u>	<u>1,295,372</u>	<u>(2,816)</u>	<u>44,959,299</u>
Less accumulated depreciation	20,774,275	1,233,061	(2,816)	22,004,520
Total capital assets being depreciated, net	<u>22,892,468</u>	<u>\$ 62,311</u>	<u>\$ -</u>	<u>22,954,779</u>
Capital assets, net	<u>\$ 42,482,072</u>			<u>\$ 43,732,755</u>

Note 5. Capital Assets (continued)

Title to the real property occupied by the Airport Authority rests with Craven County. The land is leased to the Airport Authority for an annual rent of one dollar through a lease signed November 1, 1993 which has been extended through 2033.

The following is a summary of the Health System capital asset activity for the year ended September 30, 2019:

	Year Ended September 30, 2019			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets, not being depreciated				
Land	\$ 9,392,877	\$ 812,000	\$ -	\$ 10,204,877
Construction in progress	28,534,840	43,802,042	(21,231,410)	51,105,472
Total capital assets, not being depreciated	37,927,717	44,614,042	(21,231,410)	61,310,349
Capital assets, being depreciated/amortized				
Intangible assets	15,727,713	-	-	15,727,713
Land improvements	6,918,923	-	(34,652)	6,884,271
Building and fixtures	204,558,554	14,174,168	-	218,732,722
Equipment	214,238,814	20,613,664	(15,769,307)	219,083,171
Total capital assets being depreciated	441,444,004	34,787,832	(15,803,959)	460,427,877
Less accumulated depreciation/amortization for:				
Intangible assets	(13,127,897)	(518,424)	-	(13,646,321)
Land Improvements, buildings and fixtures and equipment	(286,181,794)	(22,136,793)	15,684,037	(292,634,550)
	(299,309,691)	(22,655,217)	15,684,037	(306,280,871)
Total capital assets being depreciated/amortized, net	142,134,313			154,147,006
Health System capital assets, net	<u>\$ 180,062,030</u>			<u>\$ 215,457,355</u>

All depreciation is directly or indirectly in relation to the provision of healthcare services. Depreciation expense was approximately \$22,137,000 for the year ended September 30, 2019. The Health System has various renovation projects in progress at September 30, 2019. The estimated cost to complete the projects is approximately \$21,916,000. Interest expense capitalized was \$194,545 for the year ended September 30, 2019.

Legal title to the Health System's property and equipment, except equipment purchased by the Health System from unrestricted funds, is held by Craven County. The facilities are leased to the Health System, under a lease agreement which expires in 2024, for an annual rental of one dollar. In the event of dissolution of the Health System or its failure to function as a Health System and to operate as required in the lease, all of its monies, properties and assets shall revert to Craven County.

The following is a summary of the capital assets of the ABC Board at June 30, 2020:

Capital assets, not being depreciated	
Land	\$ 473,830
Construction in progress	191,709
Total capital assets not being depreciated	<u>665,539</u>
Capital assets, being depreciated:	
Buildings	1,436,754
Furniture & Equipment	584,363
Automobile	127,274
Total capital assets being depreciated	<u>2,148,391</u>
Less accumulated depreciation	<u>1,315,015</u>
Total capital assets being depreciated, net	<u>833,376</u>
Capital assets, net	<u>\$ 1,498,915</u>

Note 6. Pension Plan and Other Postemployment Obligations

Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. The County, Airport Authority and ABC Board's contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County, Airport Authority and ABC Board's contractually required contribution rate for the year ended June 30, 2020, are as follows:

	Employees Not Engaged In Law Enforcement	Employees Engaged In Law Enforcement
Craven County	9.02%	9.70%
Airport Authority	9.20%	
ABC Board	9.09%	

The rates shown above were actuarially determined as amounts that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County, Airport Authority and ABC Board were \$2,700,885, \$74,082, and \$68,341, respectively, for the year ended June 30, 2020.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Local Governmental Employees' Retirement System (Continued)**

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

At June 30, 2020, the County, Airport Authority and ABC Board reported liabilities of \$10,119,705, \$146,924 and \$208,369, respectively, for their proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2019. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County, Airport Authority and ABC Board's proportion of the net pension liabilities were based on a projection of the County, Airport Authority and ABC 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 LGERS employers, actuarially determined. At June 30, 2020, the County, Airport Authority and ABC Board's proportions were .3706%, .9771% and .0076% (measured as of June 30, 2019), respectively, which were increases/(decreases) of (.0074%), .0.1051%, and (.00002%), respectively (measured as of June 30, 2018).

For the year ended June 30, 2020, the County, Airport Authority and ABC Board's recognized pension expense of \$4,584,255, \$74,082 and \$107,041, respectively.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,732,750	\$ -
Changes in assumption	1,649,344	-
Net difference between projected and actual earnings on pension plan investments	246,833	-
Changes in proportion and differences between County contributions and proportionate share of contributions	208,346	-
County contributions subsequent to the measurement date	2,700,885	-
Total	<u>\$ 6,538,158</u>	<u>\$ -</u>

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

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 25,157	\$ -
Changes in assumptions	23,946	-
Net difference between projected and actual earnings on pension plan investments	3,583	-
Changes in proportion and differences between Airport Authority's contributions and proportionate share of contributions	14,720	1,333
Airport Authority's contributions subsequent to the measurement date	49,111	-
Total	<u>\$ 116,517</u>	<u>\$ 1,333</u>

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Local Governmental Employees' Retirement System (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,678	\$ -
Changes in assumptions	33,961	-
Net difference between projected and actual earnings on pension plan investments	5,083	-
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	23,999	-
ABC Board's contributions subsequent to the measurement date	68,341	-
Total	<u>\$ 167,062</u>	<u>\$ -</u>

\$2,700,885, \$49,111, and \$68,341 reported as deferred outflows of resources related to pensions resulting from the County, Airport Authority and ABC Board contributions, respectively, subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	County	Airport Authority	ABC Board
2021	\$ 1,883,183	\$ 32,405	\$ 46,748
2022	627,480	12,699	19,562
2023	1,024,813	17,233	24,129
2024	301,797	3,736	8,282
2025	-	-	-
Thereafter	-	-	-
Total	<u>\$ 3,837,273</u>	<u>\$ 66,073</u>	<u>\$ 98,721</u>

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

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

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

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

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

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

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

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 23,145,615	\$ 10,119,705	\$ (707,466)
Airport Authority's proportionate share of the net pension liability (asset)	\$ 336,041	\$ 146,924	\$ (10,271)
ABC Board's proportionate share of the net pension liability (asset)	\$ 476,579	\$ 208,369	\$ (14,567)

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

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Law Enforcement Officers Special Separation Allowance

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

At full-time County law enforcement officers of the County are covered by the Separation Allowance.

At December 31, 2019 the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Active plan members	80
Total	<u>89</u>

Summary of Significant Accounting Policies:

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

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

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

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

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019.

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

Mortality Rate

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Law Enforcement Officers Special Separation Allowance (Continued)***Summary of Significant Accounting Policies (Continued)*

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$148,581 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$1,800,412. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$91,270.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 192,020	\$ 88,942
Changes of assumptions and other inputs	85,331	44,300
County benefit payments and plan administrative expenses subsequent to the measurement date	72,217	-
Total	<u>\$ 349,568</u>	<u>\$ 133,242</u>

The County paid \$72,217 subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 33,280
2022	33,281
2023	24,082
2024	40,963
2025	12,503
Thereafter	-
Total	<u>\$ 144,109</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total Pension Liability	\$ 1,931,451	\$ 1,800,412	\$ 1,680,220

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

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

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

	2020
Beginning balance	\$ 1,531,403
Service Cost	80,218
Interest on the total pension liability	53,039
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	237,415
Changes of assumptions or other inputs	46,918
Benefit payments	(148,581)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,800,412</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2019 to 3.26 percent at June 30, 2020.

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

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

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

Supplemental Retirement Income Plan for Law Enforcement Officers:

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$203,816 for the reporting year. No amounts were forfeited.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$10,069 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$192,901 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was .9771%, which was an increase of .1051% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$30,254. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,302
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan	1,974	-
Changes in proportion and differences between County contributions and County contributions subsequent to the measurement date	22,135 10,069	15,344 -
Total	<u>\$ 34,178</u>	<u>\$ 24,646</u>

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Register of Deeds' Supplemental Pension Fund (Continued)

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

\$10,069 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 13,268
2022	(3,210)
2023	(6,786)
2024	(3,809)
2025	-
Thereafter	-
Total	<u>\$ (537)</u>

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

Inflation	3.0 percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

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

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

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate . The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Register of Deeds' Supplemental Pension Fund (Continued)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (159,455)	\$ (144,347)	\$ (221,179)

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

The net pension liability (asset) for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 10,119,705	\$ (192,901)	\$ -	\$ 9,926,804
Proportion of the Net Pension Liability (Asset)	0.37056%	0.97711%	n/a	
Total Pension Liability	-	-	1,800,412	1,800,412
Pension Expense	\$ 4,584,255	\$ 30,254	\$ 91,270	\$ 4,705,779

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

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,732,750	\$ -	\$ 192,020	\$ 1,924,770
Changes of assumptions	1,649,344	-	85,331	1,734,675
Net difference between projected and actual earnings on pension plan investments	246,833	1,974	-	248,807
Changes in proportion and differences between County contributions and proportionate share of contributions	208,346	22,135	-	230,481
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,700,885	10,069	72,217	2,783,171

Deferred Inflows of Resources

Differences between expected and actual experience	\$ -	\$ 9,302	\$ 88,942	\$ 98,244
Changes of assumptions	-	-	44,300	44,300
Changes in proportion and differences between County contributions and proportionate share of contributions	-	15,344	-	15,344

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Health System Plans

CarolinaEast Health System sponsors and has responsibility for CarolinaEast Medical Center Money Purchase Pension Plan (primary retirement plan), a noncontributory defined contribution plan covering all employees of CarolinaEast Health System who meet the eligibility requirements. An employee is eligible to participate in the plan following four consecutive full-time years of service with the Health System. Fulltime employees are those that customarily work at least 36 hours per week. Employer contributions are based on a fixed percentage of base earnings for each employee. The benefit to the employee under the plan is the Health System's contribution plus investment earnings. Employees are fully vested after ten years of continuous employment.

The primary retirement plan issues a separate, stand-alone financial report which can be obtained by contacting the V.P. of Finance, 2000 Neuse Boulevard, New Bern, N.C. 28561. The Plan was created by act of the Trustees of CarolinaEast Medical Center, who have the ability to amend or terminate the Plan.

Funding Policy: The Health System's contributions to the primary retirement plan were calculated using a covered payroll amount of \$69,710,705 for the year ended September 30, 2019. Total contributions were \$4,182,642 for the year ended September 30, 2019, which represents 6 percent of covered payroll for the year. Effective January 1, 2014, the effective contribution percentage reduced from ten percent to six percent.

Significant Accounting Policies of the Plan: The Plan prepares its financial statements on the accrual basis of accounting. Employer contributions are recognized when due and receivable. Distributions to participants are recognized when due and payable in accordance with the term of the Plan. Investments are valued at fair value based on quoted market prices. The Plan does have formal policies regarding investment objectives, diversified funding options, performance and risk review, and participant education and communication.

CarolinaEast Health System Tax Sheltered Annuity Plans ("Supplementary Plans"): The Health System also maintains supplementary retirement plans under IRS Code Sections 403(b) and 457(b) which are administered by the Lincoln National Life Insurance Company and the Variable Annuity Life Insurance Company (VALIC). The 403(b) plan is a contributory plan with the Health System matching a fixed percentage of base earnings for each eligible employee. To receive an employer contribution, eligible employees must contribute a minimum of 3 percent of their eligible salary, and have completed 1 year of continuous service. Contributions by eligible employees are matched by the Health System at a rate of 2% of the employee's eligible salary. Employees contributing a portion of the eligible salary to the 457(b) plan do not receive a matching employer contribution. All employees are eligible to participate in both plans at the date of hiring. The employee contributions are made on a tax-deferred basis. The benefit to the employee under each plan is the amount contributed plus investment earnings. Employees are fully vested after one year of continuous employment.

The Health System's 403(b) contributions were calculated using a covered payroll amount of \$83,781,387 for the year ended September 30, 2019. The Health System's contributions were \$1,675,628 or 2 percent of covered payroll for the year ended September 30, 2019. Employee contributions to the plan totaled \$7,206,512 or 8.60% of covered payroll for the year ended September 30, 2019. Employee contributions to the 457(b) plan totaled \$1,629,806 for the year ended September 30, 2019. These plans are not included in the Health System's reporting entity and do not issue separate, stand-alone financial reports.

Other Postemployment Benefits

Healthcare Benefits

Plan Description. Under a County resolution, Craven County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan) that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of the County and Airport Authority who participate in the North Carolina Local Governmental Employees' Retirement System.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Benefits Provided. As of October 1, 2003, this plan provides postemployment healthcare benefits to retirees of the County, provided they participated at least 20 years of creditable service in the North Carolina Local Governmental Employees' Retirement System (System) and have 15 years of creditable service with the County. The County pays the full cost of coverage for employees' benefits through the County's self-insured plan administered by ACS Benefit Services, Inc. and employees have the option of purchasing dependent coverage at the County's group rates. Prior to October 1, 2003, retirees had to contribute 100% towards the healthcare benefits. Employees hired on or after October 1, 2003 who retire with less than 20 years of service are not eligible for postemployment coverage but have the option of purchasing coverage for themselves and dependents at the County's group rate. Retirees who qualify for coverage receive from \$271 - \$541 based on the number of accredited years of service towards the cost healthcare benefits.

Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Governing Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Retired Employees' Years of Creditable Service	Date Hired Pre-October 1, 2003	Date Hired on or after October 1, 2003
Less than 15 years	Not eligible for full coverage	Not eligible for full coverage
15-19 years with LGERS and County	Full coverage paid by the retiree	Full coverage paid by retiree
20+ years with LGERS, 15 from the County	Full coverage paid by the retiree	Full coverage a portion paid by the county based on years over 20, balance paid by retiree

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers:
Retirees and dependents receiving benefits	44	9
Active plan members	481	80
Total	525	89

Total OPEB Liability

The Country's total OPEB liability of \$16,596,576 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage Inflation	3.50%
Salary increases, including wage inflation:	
General employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate:	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Health Care Cost Trends:	
Pre-Medicare	7.00 for 2019 decreasing to an ultimate rate of 4.50% by 2026

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Other Postemployment Benefits (Continued)****Healthcare Benefits (Continued)**

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

Changes in the Total OPEB Liability

	General Fund	Water Fund	Airport	Total
Balance at July 1, 2019	\$ 13,690,240	\$ 179,839	\$ 188,693	\$ 14,058,772
Changes for the year:				
Service cost at the end of the year	575,148	8,829	9,260	593,237
Interest on TOL and cash flows	515,756	7,917	8,304	531,977
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	1,751,631	57,185	59,933	1,868,749
Changes of assumptions or other inputs	308,063	4,729	4,960	317,752
Benefit payments and implicit subsidy credit	(750,314)	(11,517)	(12,080)	(773,911)
Other	-	-	-	-
Net Changes	2,400,284	67,143	70,377	2,537,804
Balance at June 30, 2020	\$ 16,090,524	\$ 246,982	\$ 259,070	\$ 16,596,576

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

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

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total 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 (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 18,129,963	\$ 16,596,576	\$ 15,207,736

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 14,874,383	\$ 16,596,576	\$ 18,617,097

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Other Postemployment Benefits (Continued)****Healthcare Benefits (Continued)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the County recognized OPEB expense of \$1,305,916. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,894,895	\$ -
Changes of assumptions another inputs	275,272	717,845
Benefit payments and administrative costs made subsequent to the measurement date	735,153	-
Total	<u>\$ 2,905,320</u>	<u>\$ 717,845</u>

\$735,153 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period</u>	
2021	\$ 189,447
2022	189,447
2023	189,447
2024	189,447
2025	263,462
Thereafter	431,072

Plan Description. CarolinaEast Health Center sponsors and has responsibility for CarolinaEast Medical Center Employee Benefit Trust, a single-employer, defined benefit OPEB plan established and governed by the Health System's governing board. A trust was established April 1, 2007 for this plan and has a plan year of January 1 to December 31. As such, the Plan's first fiscal year end was December 31, 2007. The Health System provides other postemployment benefits (OPEB) comprised of health care and group life insurance benefits to retirees of CarolinaEast Medical Center who have at least 20 years of continuous fulltime service, have attained the age of 55 and were employed prior to July 1, 1995. The Health System pays the full cost of coverage for these benefits until age 65. Also, retirees can purchase coverage for their spouse at the Health System's group rates. The Health System elected to discontinue the post-retirement benefit to individuals employed on or after July 1, 1995. The plan issues a stand-alone financial report. That report can be obtained by contacting the V.P. of Finance, 2000 Neuse Boulevard, New Bern, N.C. 28561.

As of the actuarial valuation report date January 1, 2019, the Health System's membership consisted:

Retirees receiving benefits	68
Active Plan members	<u>112</u>
Total	<u><u>180</u></u>

Funding Policy. Prior to April 1, 2007, the Health System funded these obligations on a pay-as-you-go basis. During 2007, the Health System funded the actuarially determined net OPEB obligation which was accrued at September 30, 2006 and made some interim pay-as-you-go benefit payments until the trust was funded and thereafter the annual required contributions determined in actuarial valuations.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Total OPEB Asset (Liability). The total OPEB asset (liability) was therefore determined based on the January 1, 2019 actuarial valuations, using membership data as of January 1, 2019 and generally accepted actuarial procedures, and update procedures were utilized to roll forward the total OPEB asset (liability) to the measurement date of January 1, 2019. Information included in the following schedules is based on the certification provided by the System's consulting actuary.

For the year ended September 30, 2019, the System recognized an OPEB gain of approximately \$580,000.

The following represents the changes in the net OPEB liability as of September 30, 2019:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Liability) asset (a)+(b)
Balances at September 30, 2018	\$ (6,400,767)	\$ 7,386,217	\$ 985,450
Changes for the Year:			
Services cost	(47,527)	-	(47,527)
Interest cost	(415,477)	-	(415,477)
Change in actuarial assumptions	(75,328)	-	(75,328)
Contributions from employer	-	557,113	557,113
Net investment earnings	-	(328,423)	(328,423)
Actual Benefits paid	907,113	(907,113)	-
Additional expected benefit payments	39,666	-	39,666
Net Changes	408,447	(678,423)	(269,976)
Balances at September 30, 2019	\$ (5,992,320)	\$ 6,707,794	\$ 715,474

Sensitivity analysis

The following represents the sensitivity of the total OPEB liability to changes in the discount rate based on values as of September 30, 2019:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 6,207,023	\$ 5,992,320	\$ 5,785,340

The following represents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates based on values as of September 30, 2019:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,777,464	\$ 5,992,320	\$ 6,220,912

Summary of Significant Accounting Policies. The plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funded Status and Funding Progress. The plan was initially funded on April 1, 2007, the date the trust was established.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Methods and assumptions as of the latest actuarial valuations as follows:

Valuation date	January 1, 2019
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	Immediately
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%
Health care cost trend rates	6.0% down to 5.0%
Includes inflation at	3.00%
Cost-of-living adjustments	None

Mortality rates were based on the RP-2014 Total Dataset Mortality Table with generational projection of mortality improvements using the MP-2017 Projection Scale (previously, MP-2016 Projection Scale was used).

Deferred items related to OPEB. At September 30, 2019, the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,760	\$ -
Changes of assumptions and other inputs	-	35,711
Differences between expected and actual return on plan assets	676,366	318,895
Total	<u>\$ 170,356</u>	<u>\$ 354,606</u>

Fair Value of Plan Asset. The Fair Value Measurements and Application Standard addresses accounting and financial reporting issues related to fair value measurements. The standard describes fair value as an exit price. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets or liabilities, inputs that are observable for the asset or liability, and market-corroborated inputs. Level 3 inputs are unobservable inputs and take into account all information about market participant assumptions that are reasonably available. The Plan categorizes its fair value measurements within the fair value hierarchy established by this standard.

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds which are valued based on prices readily available in active markets in which those securities are traded. Level 2 investments include interest rate swap agreements which are valued on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets.

The Plan does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 during 2019. There were no changes during 2019 to the Plan's valuation technique used to measure asset and liability fair values on a recurring basis.

Note 6. Pension Plan and Other Postemployment Obligations (Continued)**Other Postemployment Benefits (Continued)****Healthcare Benefits (Continued)**

The following tables set forth by level within the fair value hierarchy the Plan's assets accounted for at fair value on a recurring basis as of September 30, 2019:

	September 30, 2019			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 19,002	\$ -	\$ -	\$ 19,002
Mutual Funds	6,688,792	-	-	6,688,792
Total	<u>\$ 6,707,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,707,794</u>

Other Employment Benefits**Death Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administrated, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one-year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one-year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the death benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because the benefit payments are made by the Death Benefit plan and not by the county, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

The County provides \$10,000 of group-term life insurance to all eligible employees.

Note 7. Commitments and Contingencies**Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The County and Health System are defendants in various lawsuits. Management of the County and Health System and their respective legal counsels feel that these claims can be successfully defended and intend to resist the allegations of these matters in every way and do not plan to seek out-of-court settlements. In the event that judgments adverse to the interest of the County and the Health System should be rendered, management and its legal counsel feel any liability will be covered by existing insurance policies.

At June 30, 2020, the ABC Board leased one retail location, under a non-cancelable agreement that expires June 30, 2019. On May 31, 2017, the ABC Board entered into a two-year lease agreement for the James City store (#6) with equal monthly installments of \$2,625, beginning June 1, 2017.

The total minimum rental commitment at June 30, 2020 under this operating lease are as follows:

Year Ending June 30, 2020	
Store #6	\$ 31,500
	<u>\$ 31,500</u>

Note 8. Long-Term Obligations

General obligation bonds are collateralized by the full faith, credit, and taxing power of the County or Water and Sewer District that issued the debt. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

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

Serviced by the County's General Fund:

	Stated Interest Rates	Amounts
General government bonds:		
\$8,335,000 2019 Advance Refunding Bonds issued for 2009 General Obligation Refunding bonds, due on June 1, 2019 (interest only) and June 1 (principal of \$2,388,000 to \$1,326,000 plus interest) through June 1, 2023	2.60%	\$ 5,947,000
		<u>\$ 5,947,000</u>

The annual debt service requirement for general obligations bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 2,337,000	\$ 152,243
2022	2,284,000	92,416
2023	1,326,000	33,946
2024	-	-
Total	<u>\$ 5,947,000</u>	<u>\$ 278,605</u>

Advance Refunding

On March 28, 2019, the County issued \$8,335,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$8,404,231 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price was below the net carrying amount of the old debt by \$69,231. This amount the County contributed to the irrevocable trust. This advance refunding was undertaken to reduce total interest expense over the next four years by \$237,803 and resulted in an economic gain of \$224,705.

Loans and Installment notes payable:

Purpose	Interest Rates	Amount
Governmental Activities:		
Qualified School Construction Bond	4.72%	\$ 108,150
2013 LOB Refunded School Projects/Fiber Optic	2.07%	9,459,000
2013 LOB Refunded LEC/Park/Tyron Palace	2.07%	11,561,000
2019 Convention Center	2.20%	10,000,000
Total Governmental Activities		<u>31,128,150</u>
Business-type Activities:		
Water Line expansion project - Northwest	2.66%	400,572
Castle Hayne Aquifer Water Treatment Project -	0%	13,752,148
Total Business-Type Activities		<u>14,152,720</u>
Total loans and installment notes payable		<u>\$ 45,280,870</u>

The Qualified School Construction Bond issued in October 2010 in the original amount of \$2,163,000 is payable in semi-annual installments consisting of principal payments of \$108,150 plus interest.

Note 8. Long-Term Obligations (Continued)**Loans and Installment notes payable (continued)**

On April 10, 2013, the County issued \$33,950,000 of limited obligation refunding bonds, Series 2013, for the purpose of advance refunding a portion of the County's outstanding Certificates of Participation, Series 2007. The Series 2013 Limited Obligation Refunding Bond was issued for the purpose of locking in a lower interest rate thus reducing overall bond debt service costs. The bonds issued are to provide resources to purchase US Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$28,225,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The outstanding value remaining on this obligation at June 30, 2020 is \$24,330,000.

On September 12, 2019, a direct placement loan was obtained by the County in the amount of \$10,000,000 at a 2.20% interest rate. The loan was for the Convention Center. Payments are due in installment ranging from \$714,000 to \$715,000 annually, plus interest at 2.20%. The loan will mature in April 2034.

The 2003 direct placement drinking water revolving loan, in the original amount of \$1,602,284, is for the purpose of providing water line extension in the Northwest Craven Water & Sewer District. The note is payable in annual installments of \$80,114 plus interest. The note is collateralized by the water lines.

On June 5, 2013, a direct placement planning loan was obtained from the Department of Natural Resources through the Drinking Water Revolving Loan Fund in the amount of \$3,014,530 at a zero percent interest rate for a term of five years for the purpose of providing funding for the planning, design and permitting of the treatment plant. On August 5, 2014, this loan was modified and the loan amount was increased to \$16,178,995 to be used for the construction of the Castle Hayne Aquifer Water Treatment Plant. The first principal payment was due May 1, 2018. The loan is payable by revenues of the water system.

The annual debt service requirements for installment notes payable are as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 4,063,150	\$ 621,580	\$ 889,064	\$ 10,655
2022	3,880,000	539,558	889,064	8,524
2023	3,795,000	459,193	889,064	6,393
2024	3,720,000	380,483	889,064	4,262
2025	3,639,000	303,377	889,064	2,131
2026-2030	9,175,000	664,924	4,044,750	-
2031-2035	2,856,000	157,080	4,044,750	-
2036-2040	-	-	1,617,900	-
Total	<u>\$ 31,128,150</u>	<u>\$ 3,126,195</u>	<u>\$ 14,152,720</u>	<u>\$ 31,965</u>

Changes in the County's long-term obligations for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
General Obligation bonds	\$ 8,335,000	\$ -	\$ 2,388,000	\$ 5,947,000	\$ 2,337,000
Loans and installment notes	24,654,450	10,000,000	3,526,300	31,128,150	4,063,150
Total pension liability	1,531,403	269,009	-	1,800,412	-
Total OPEB liability	13,690,240	2,400,284	-	16,090,524	-
Net Pension liability (LGERS)	8,773,640	1,120,993	-	9,894,633	-
Compensated absences	3,056,212	1,620,324	1,715,412	2,961,124	1,715,412
Governmental activity Long-	<u>\$ 75,451,555</u>	<u>\$ 15,410,610</u>	<u>\$ 7,629,712</u>	<u>\$ 67,821,843</u>	<u>\$ 8,115,562</u>
Due within one year					\$ 8,115,562
Due in more than one year					59,706,281
Total Governmental Activities					<u>\$ 67,821,843</u>

Note 8. Long-Term Obligations (Continued)**Loans and Installment notes payable (continued)****Business-type Activities**

Loans and installment notes	\$	15,041,781	\$	-	\$	889,064	\$	14,152,717	\$	889,064
Total OPEB liability		179,839		67,143		-		246,982		-
Net pension liability (LGERS)		199,269		25,803		-		225,072		-
Compensated absences		44,643		27,018		28,486		43,175		28,486
	\$	15,465,532	\$	119,964	\$	917,550	\$	14,667,946	\$	917,550
									\$	917,550
										13,750,396
									\$	14,667,946

Net pension liability, total pension liability, and total other postemployment liability for governmental activities are all typically liquidated in the general fund. Compensated absences have been liquidated in the general fund and water fund and are accounted for on a last-in, first-out basis, assuming that employees are taking leave time as it is earned.

State statutes provide for a legal debt limit of 8 percent of the County's assessed value of taxable property. The County has utilized \$37,075,150 of its legal debt limitation of \$767,739,203, leaving a legal debt margin of \$730,664,053 at June 30, 2020.

General obligation bonds and bond anticipation notes:

The Airport Authority does not have any general obligation bonds outstanding at June 30, 2020.

In October 2016, the System issued \$60,000,000 of tax-exempt bank direct purchase bonds named Series 2016 Health Care System Revenue Bonds purchased by Branch Banking and Trust Company (BB&T). The System entered into an interest rate swap agreement effective January 3, 2017. Under the swap agreement the System pays interest at 2.6172% and received interest at 68% of the one-month LIBOR plus 0.468%. The notional amount under the swap at September 30, 2019 was \$57,050,000. During the year ended September 30, 2019, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at September 30, 2019 was a liability of approximately \$1,389,000 with the change in fair value reported in non-operating revenues (expenses) on the statements of revenues, expenses, and changes in net position. The System was in compliance with all other covenants at September 30, 2019.

Note 9. Interfund Assets/Liabilities and Transfers

Transfers to/from other funds at June 30, 2020, consist of the following:

From General Fund to the Self Insurance Fund to supplement resources.	\$ 29,223
From General Fund to the Convention Center Restoration Project to provide resources for project expenses.	2,688,044
From the Occupancy Tax Fund to the Convention Center Restoration Project to provide resources for project expenses.	500,000
From General Fund to the Courthouse EOC Recovery Project to provide resources for project expenses.	1,894,453
From General Fund to the School Debt Service Fund to transfer local option sales tax restricted for School Debt Service.	4,485,078
From Capital Reserve Fund to the General Fund to transfer funds for new recreation additions.	638,339
From General Fund to Township 3 for approved reimbursable expenses along with County Grant Match.	79,477
From General Fund to Harlowe VFD for approved reimbursable expenses along with County Grant Match.	28,705
From General Fund to Township 9 for approved reimbursable expenses along with County Grant Match.	9,148
From General Fund to the School Reserve Fund for School Capital Outlay.	160,000
From the Occupancy Tax Fund to the General Fund to service convention center debt payment.	121,612
From the General Fund to the Water Fund to transfer monthly allocation of Howell Rd Building rent.	18,000
From the Water Fund to the General Fund for IT, Admin, Finance, Maintenance, and Rent allocations.	148,000
Total	<u>\$ 10,800,079</u>

Note 9. Interfund Assets/Liabilities and Transfers (Continued)

Balances due to / from other funds at June 30, 2020, consist of the following:

Due to the General Fund for temporary cash overdrafts (all of these funds are part of the central depository account of the County):

Stream Debris Removal Project	\$ 155,472
CDBG-DR Active Disaster Grants Fund	1,152
Flood Hazard Mitigation Assist 2016-006	57,143
Flood Hazard Mitigation Assist 2016-014	28,934
CDBG-NR NC Dept of Commerce Grants Fund	100,663
Grant Project Fund	33,655
Total Due to the General Fund	<u>\$ 377,019</u>

Note 10: Net Investment in Capital Assets

Debt Related to Capital Activities - Of the Governmental Activities debt listed, only \$21,560,998 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2020 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets (net of depreciation)	\$ 65,890,222	\$ 40,601,662
Add:		
Deferred charges (capital related)	-	-
Total capital assets and related deferred charges	<u>65,890,222</u>	<u>40,601,662</u>
Total debt, gross	37,075,150	14,152,717
Less:		
Other non-capital related debt	15,514,150	-
Capital related unspent debt issuances	<u>4,369,582</u>	<u>-</u>
Total capital debt	<u>17,191,418</u>	<u>14,152,717</u>
Net investment in capital assets	<u>\$ 48,698,804</u>	<u>\$ 26,448,945</u>

Note 11: Deferred Compensation Plan

The County offers its employees two deferred compensation plans in accordance with Internal Revenue Code Section 457. One plan is administered by the National Association of Counties (NACO), with Nationwide acting as its agent in fulfilling certain of the administrative and marketing requirements. The plan, available to all permanent County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The second plan, administered by the American General Financial Group - VALIC, is available to all permanent County employees who wish to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In January 1997, the County amended the plans in accordance with the provisions of IRC Section 457(g). On that date, assets of the plans were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribes that the County no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, were removed from the County's financial statements in a prior year.

Note 12. Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charges of refunding of debt	\$ 2,560,478	\$ -
Pensions - difference between expected and actual experience		
Pensions	1,924,770	98,244
OPEB	1,865,316	-
Pension - Changes of assumptions		
Pensions	1,734,675	44,300
OPEB	270,975	706,639
Pensions - difference between projected and actual investment earnings (Pensions)	248,807	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions (Pensions)	230,482	15,345
Contributions to plans in current fiscal year		
Pensions	2,783,171	-
OPEB	723,677	-
Prepaid taxes not yet earned (General Fund)	-	115,918
Prepaid fees (General)	-	46,868
Total reported in the government wide statements	<u>12,342,351</u>	<u>1,027,313</u>
Property taxes receivable, net (General Fund)	-	828,940
Property taxes receivable, net (Special Revenue Fund)	-	312,551
Recycling fees receivable (General Fund)	-	211,706
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 1,515,983</u>

Deferred inflows and outflows for OPEB and pensions will not tie in directly to footnote schedule for OPEB and pensions due to

Note 13. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County's Internal Service Fund was established to account for a limited risk, self-insurance program to provide health and dental benefits to County employees. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The interfund premiums are based upon actuarial estimates of the amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$155,000. A total of \$5,105,776 in claims was incurred for benefits during fiscal year 2020. Payments received from the insurer for claims over the limit of \$197,202 and \$187,355 during fiscal 2020 and fiscal 2019, have been netted against the claims shown below. Changes in the fund's claims liability amounts (net refunds due) for the past two fiscal years were as follows:

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2019-2020	\$ 320,000	\$ 5,105,776	\$ 5,145,776	\$ 280,000
2018-2019	\$ 470,000	\$ 5,121,082	\$ 5,271,082	\$ 320,000

Note 13. Risk Management (continued)

During 2003, the County entered into a limited risk, self-funded workers' compensation claim program with administrative services provided by a third-party administrator. Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. The interfund premiums are based upon estimates of amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$500,000. A total of \$324,364 in claims or changes in estimates were incurred for benefits during fiscal year 2020. Changes in the fund's claims liability amounts for the past two fiscal years were as follows:

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2019-2020	\$ 82,022	\$ 324,864	\$ 327,663	\$ 79,223
2018-2019	\$ 190,473	\$ 453,104	\$ 561,555	\$ 82,022

The County participates in one risk financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a blanket limit of \$156 million; general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, and crime coverage of \$250,000 per occurrence. The pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and portions of which are designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County has purchased the NFIP coverage for three buildings, the Convention Center, the Administration Building, and the Water Maintenance Facility. These three buildings are in an "A" flood zone, the 100 year flood area. The County is also eligible to and has purchased commercial flood insurance for another \$5,900,000 of coverage for the Convention Center.

All County employees are covered under a \$250,000 blanket insurance policy for theft and crime. The Director of Finance is covered by a \$250,000 individual bond. The Tax Collector, Register of Deeds and Sheriff are each individually bonded for \$100,000, \$50,000 and \$10,000, respectively. The County also has liquor legal liability coverage for the Convention Center.

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

The Craven County Regional Airport Authority has property, general liability, and workers' compensation coverage. Employee health coverage is provided through the County's self-insurance program described above. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

Effective January 1, 2001, the CarolinaEast Health System established a limited risk, self-insurance program to provide health benefits to the Health System's employees. The Health System is billed on a weekly basis for claims by Blue Cross Blue Shield, the plan administrator. The Health System carries stoploss insurance through Blue Cross Blue Shield, which has stop loss for individual claims in excess of \$200,000. The claims liability reported at year-end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the statement of net position date and the amount can be reasonably estimated.

Note 13. Risk Management (continued)

Changes in the Health System's claims liability amount for retained risk for the fiscal years ending September 30, 2019 and 2018 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-2019	\$ 2,780,000	\$ 25,150,546	\$ 25,150,546	\$ 2,780,000
2017-2018	\$ 2,600,000	\$ 25,699,212	\$ 25,519,212	\$ 2,780,000

Total claims expense is partially offset by employee contributions.

The Health System formerly had professional liability and/or workers' compensation insurance coverage with three insurance companies that are now in liquidation:

- PHICO Insurance Company ("PHICO"): Went into liquidation on February 1, 2002. Provided professional liability and workers' compensation coverage for Health System.
- Reliance Insurance Company ("Reliance"): Went into liquidation on October 31, 2001. Provided workers' compensation coverage for Health System.
- The Virginia Insurance Reciprocal ("ROA"): Went into liquidation on June 20, 2003. Provided workers' compensation coverage for Health System.

Following the start of liquidation of each of these companies, responsibility for further defense and/or payments relating to cases and claims formerly insured by the companies was assumed by the North Carolina Insurance Guaranty Association ("Guaranty Fund" or "Fund"). The Fund handled the cases and claims and paid all costs and expenses relating thereto with limited input from the Health System.

The Fund notified the Health System that it was requesting reimbursement for both indemnity payments and defense expenses relating to cases and claims pertaining to all three former insurers pursuant to N.C.G.S. §58-48-50 (a1)(1). Such reimbursement claim was based on the Health System's having a net worth that exceeded \$50,000,000 on December 31 of the year in which each of the former insurers became insolvent.

The Health System notified the Guaranty Fund that it disputed the Guaranty Fund's legal position with regard to the Fund's right to reimbursement for all indemnity payments and defense expenses, including attorneys' fees, paid by the Fund in the subject cases and claims. Discussions continued between the Fund and Health System concerning this matter until the Fund initiated formal litigation by filing a declaratory judgment action on March 4, 2004.

Prior to the dispute between the Fund and the Health System, the Health System had established certain reserves to provide for payment of professional liability cases where the settlement or judgment would potentially exceed the statutory \$300,000 indemnity payment limit provided by the Fund. The amount of the reserve relating to each pending case was based upon assessment of the Health System's potential financial exposure for settlements or judgments that exceeded the indemnity provided by the Fund. The Health System reassessed the nature and extent of its reserves once the Health System became aware of the Fund's claim for reimbursement and in anticipation of the Health System having to eventually reimburse the Fund for all indemnity payments and all or part of defense expenses relating to cases and claims.

On September 29, 2004, the Fund and Health System agreed upon a resolution of the declaratory judgment action and entered into a formal Settlement Agreement and Release of All Claims.

Note 13. Risk Management (continued)

The Virginia Insurance Reciprocal ("ROA") case was purchased by Providence Washington Insurance Company whereby all responsibility for paying, administering, processing and handling of all workers compensation claims within this book of business was assumed by the new carrier effective December 29, 2014. Subsequently, \$278,000 was removed from reserves as the Health System has no additional financial liability for the ROA case. The Health System continues to maintain reserves to cover reimbursement obligations relating to one other case and claims that remain pending. This includes a professional liability matter that may involve substantial exposure for both indemnity and defense expenses. The nature and extent of the reserve is periodically reviewed for adequacy and reasonableness by management.

Professional Liability: These premiums represent a transfer of risk and are not determined retrospectively. These policies are claims made basis policies, meaning claims are covered based on incidents arising on or after the policy retroactive date and which are reported during the term of the policy.

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

Asserted and Unasserted claims: The Health System is aware of various asserted and unasserted claims. Management has been unable to reasonably estimate the amount of the loss, if any, since the ultimate resolution of these matters will be dependent upon future events. Management of the Health System and its legal counsel feel that these claims can be successfully defended and intend to resist the allegations of these matters in every way and do not plan to seek out-of-court settlements. In the event that judgments adverse to the interests of the Health System should be rendered, management and its legal counsel feel any liability will be fully covered under the Health System's existing insurance policies.

Note 14. Joint Ventures

The County participates in a joint venture with the City of New Bern to operate the New Bern/Craven County Library. The County appoints five board members of the ten-member board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. During the year ended June 30, 2020, the County appropriated \$1,457,677 to the library. In addition to the New Bern/Craven County Library, the County appoints board members to the three other Craven County municipal library boards. Total funding for these libraries was \$380,030. Complete financial statements for the New Bern/Craven County Library can be obtained from the Library's administrative offices at 400 Johnson Street, New Bern, NC 28560.

The County, in conjunction with Carteret County and Pamlico County, participates in the Coastal Regional Solid Waste Management Authority. Craven County appoints three members of the seven-member board. The Waste Management Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Waste Management Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Waste Management Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County did not contribute any funds to the Waste Management Authority during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for the Waste Management Authority can be obtained from the Waste Management Authority's administrative offices at 7400 Old Highway 70 West, Cove City, NC.

Note 14. Joint Ventures (Continued)

The County, in conjunction with Jones, Pamlico, Bertie, Gates, Hertford, Northampton, Pitt, Beaufort, Camden, Chowan, Currituck, Dare, Hyde, Martin, Pasquotank, Perquimans, Tyrrell and Washington Counties, participates in a joint venture to operate East Carolina Behavioral Health ("ECBH") which, effective July 1, 2015, consolidated with a similar entity to become Trillium Health Resources ("THR"). Each of the nineteen counties appoints one commissioner as a member of the Board of Directors which consists of 24 members. The County Commissioner members jointly appoint five non-Commissioner Board members. The County has an ongoing financial responsibility for the joint venture because THR's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in THR, so no equity interest has been reflected in the financial statements at June 30, 2020. The County appropriated \$385,744 to the THR during the fiscal year ended June 30, 2020, which included money received from the ABC Board designated for alcohol education. Complete financial statements for THR can be obtained from THR's administrative offices at 1708 East Arlington Boulevard, Greenville, NC 27858-5782.

The County, in conjunction with the State of North Carolina, participates in a joint venture to operate Craven Community College. The County appoints five members of the eleven-member board of trustees of the Community College. The college is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the last general obligation bond issue for this purpose, \$0- is outstanding. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,761,115 and \$500,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2020.

Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 800 College Court, New Bern, NC 28562.

Note 15. Jointly Governed Organizations

The County, in conjunction with nine other counties and 26 municipalities, established the Eastern Carolina Council ("Council") formerly known as Neuse River Council of Governments. The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board.

Effective June 30, 2020, the County, in conjunction with one other county, governs the operations of the Craven-Pamlico Regional Library. Each participating government appoints three board members to the nine member board. The County has no ongoing financial responsibility for the joint venture because the library's continued existence depends on the State of North Carolina's continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2020.

Note 16. Related Organization

The County's governing board is also responsible for appointing the members of the board of the Industrial Facilities and Pollution Control Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to issue and service revenue bond debt for private business for economic development purposes. Craven County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Note 17. Subsequent Events

The County has evaluated its subsequent events (events occurring after June 30, 2020) through January 11, 2021, which represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

- Schedule of County's Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of County Contributions to Local Government Employees' Retirement System
- Schedule of County's Proportionate Share of Net Pension Liability (Asset) for Registers of Deeds' Supplemental Pension Fund
- Schedule of County Contributions for Registers of Deeds' Supplemental Pension Fund
- Schedule of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Coastal Carolina Regional Airport Authority's Contributions to Local Government Employees' Retirement System
- Schedule of Craven County ABC Board's Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Craven County ABC Board's Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.371%	0.378%	0.383%	0.381%	0.390%	0.406%	0.408%
County's proportionate share of the net pension liability (asset) \$	\$ 10,119,705	\$ 8,972,909	\$ 5,843,846	\$ 8,094,798	\$ 1,748,322	\$ (2,397,200)	\$ 4,922,788
County's covered payroll	\$ 25,617,364	\$ 26,440,751	\$ 25,550,943	\$ 24,774,857	\$ 24,162,555	\$ 24,220,773	\$ 24,447,979
County's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	33.94%	33.94%	22.87%	32.67%	7.24%	-9.90%	20.14%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of County Contributions
Local Government Employees' Retirement System
Last Seven Fiscal Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$2,700,885	\$ 2,151,022	\$ 2,005,720	\$ 1,873,840	\$ 1,667,585	\$ 1,718,722	\$ 1,718,740
Contributions in relation to the contractually required contribution	<u>2,700,885</u>	<u>2,151,022</u>	<u>2,005,720</u>	<u>1,873,840</u>	<u>1,667,585</u>	<u>1,718,722</u>	<u>1,718,740</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	29,913,077	25,617,364	26,440,751	25,550,943	24,774,857	24,162,555	24,220,773
Contributions as a percentage of covered payroll	9.03%	8.40%	7.59%	7.33%	6.73%	7.11%	7.10%

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

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of County's Proportionate Share of Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Seven Fiscal Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)%	0.977%	0.872%	1.178%	1.217%	1.111%	1.108%	1.123%
County's proportionate share of the net pension liability (asset) \$	\$(192,901)	\$ (144,347)	\$ (201,138)	\$ (227,499)	\$ (257,688)	\$ (251,203)	\$ (239,811)
Plan fiduciary net position as a percentage of the total pension liability (asset)	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

Schedule of County Contribution
Register of Deeds' Supplemental Pension Fund
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,069	\$ 9,287	\$ 10,238	\$ 10,238	\$ 9,941	\$ 8,897	\$ 9,049
Contributions in relation to the contractually required contribution	<u>10,069</u>	<u>9,287</u>	<u>10,238</u>	<u>10,238</u>	<u>9,941</u>	<u>8,897</u>	<u>9,049</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension Liability (Asset)
 Local Governmental Employees' Retirement System
 Last Seven Fiscal Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) %	0.005%	0.001%	0.005%	0.004%	0.003%	0.003%	0.004%
Authority's proportionate share of the net pension liability (asset) \$	\$ 146,924	\$ 143,527	\$ 72,567	\$ 92,746	\$ 17,502	\$ (19,462)	\$ 43,394
Authority's covered payroll	\$ 437,773	\$ 462,079	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856	\$ 277,758
Authority's proportionate share of the net of its covered payroll	33.56%	31.06%	19.77%	26.14%	5.06%	-6.18%	15.62%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of Coastal Carolina Regional Airport Authority's Contributions
 Local Governmental Employees' Retirement System
 Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 49,111	\$ 33,767	\$ 34,656	\$ 26,606	\$ 23,663	\$ 25,400	\$ 23,551
Contributions in relation to the contractually required contribution	<u>49,111</u>	<u>33,767</u>	<u>34,656</u>	<u>26,606</u>	<u>23,663</u>	<u>25,400</u>	<u>23,551</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 538,641	\$ 437,773	\$ 462,079	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856
Contributions as a percentage of covered payroll	9.12%	7.71%	7.50%	7.25%	6.67%	7.35%	7.48%

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of Craven County ABC Board's Proportionate Share of Net Pension Liability (Asset)
 Local Governmental Employees' Retirement System
 Last Seven Fiscal Years *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ABC Board's proportion of the net pension liability (asset) %	0.00763%	0.00786%	0.00843%	0.00728%	0.00735%	0.00621%	0.00700%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 208,369	\$ 186,466	\$ 128,787	\$ 154,506	\$ 32,986	\$ (36,623)	\$ 84,377
ABC Board's covered payroll	\$ 714,459	\$ 676,367	\$ 685,968	\$ 580,917	\$ 570,899	\$ 474,494	\$ 470,002
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.16%	27.57%	18.77%	26.60%	5.78%	-7.72%	17.95%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

Schedule of Craven County ABC Board's Contributions
Local Governmental Employees' Retirement System
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 68,341	\$ 56,300	\$ 51,877	\$ 51,104	\$ 39,851	\$ 40,320	\$ 33,900
Contributions in relation to the contractually required contribution	<u>68,341</u>	<u>56,300</u>	<u>51,877</u>	<u>51,104</u>	<u>39,851</u>	<u>40,320</u>	<u>33,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 751,821	\$ 714,459	\$ 676,367	\$ 685,968	\$ 580,917	\$ 570,899	\$ 479,494
Contributions as a percentage of covered payroll	9.09%	7.88%	7.67%	7.45%	6.86%	7.06%	7.07%

This schedule is intended to show information for ten years, and additional year's information will be displayed as it becomes available.

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

	2020	2019	2018
Beginning Balance	\$ 1,531,403	\$ 1,699,481	\$ 1,585,538
Service Cost	80,218	78,775	69,732
Interest on the total pension liability	53,039	52,055	58,828
Changes of benefit terms	-	-	-
Difference between expected and actual experience in the measurement of the total pension liability	237,415	(140,990)	(1,068)
Changes of assumptions or other inputs	46,918	(53,553)	109,457
Benefit payments	(148,581)	(104,365)	(123,006)
Other changes	-	-	-
Ending Balance of the total pension liability	<u>\$ 1,800,412</u>	<u>\$ 1,531,403</u>	<u>\$ 1,699,481</u>

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

The schedule is intended to show information for ten year, and additional years' information will be displayed as it becomes available.

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

	2020	2019	2018
Total pension liability	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481
Covered payroll	3,798,109	3,344,394	3,206,963
Total pension liability as a percentage of covered payroll	47.40%	45.79%	52.99%

Notes to the schedules:

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 14,058,772	\$ 13,825,361	\$ 13,876,112
Service Cost	593,237	613,031	662,069
Interest on the total pension liability	531,977	477,912	411,261
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,868,749	369,590	14,747
Changes of assumptions	317,752	(418,307)	(709,756)
Benefit payments	(773,911)	(808,815)	(429,072)
Other changes	-	-	-
Net change in total OPEB liability	<u>2,537,804</u>	<u>233,411</u>	<u>(50,751)</u>
Total OPEB liability - ending	<u><u>\$ 16,596,576</u></u>	<u><u>\$ 14,058,772</u></u>	<u><u>\$ 13,825,361</u></u>
 Covered Payroll	 \$ 26,685,118	 \$ 27,587,907	 \$ 27,587,907
Total OPEB Liability as a percentage of covered payroll	62.19%	50.96%	50.11%

Notes to Schedule

Craven County has elected not to fund the OPEB plan through a qualified trust.

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

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

GENERAL FUND

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 51,722,584	\$ 52,612,946	\$ 890,362
Sales	17,930,983	18,867,104	936,121
Intergovernmental	23,027,423	24,854,840	1,827,417
Charges for services	16,167,233	15,711,402	(455,831)
Interest	825,320	764,822	(60,498)
Miscellaneous	1,176,085	1,276,538	100,453
Total revenues	<u>110,849,628</u>	<u>114,087,652</u>	<u>3,238,024</u>
EXPENDITURES			
General government:			
Commissioners	620,400	608,918	11,482
Administration	653,350	640,345	13,005
Human Resources	575,367	532,274	43,093
Information technology	2,428,495	2,052,877	375,618
Finance	983,211	961,374	21,837
Elections	710,177	606,232	103,945
Tax assessor	1,295,644	1,181,645	113,999
Tax collections	773,238	717,596	55,642
Register of Deeds	952,858	932,545	20,313
Public buildings	925,164	791,741	133,423
Housekeeping	314,423	307,970	6,453
Court facilities	642,590	608,028	34,562
County garage	437,343	427,203	10,140
Maintenance	1,319,413	1,100,343	219,070
Non-departmental	2,462,948	2,368,837	94,111
Total general government	<u>15,094,621</u>	<u>13,837,928</u>	<u>1,256,693</u>
Public Safety			
Animal control	731,671	694,068	37,603
Medical examiner	210,000	157,750	52,250
Sheriff	8,294,026	7,998,266	295,760
Jail	5,000,889	4,667,441	333,448
Fire marshal/Emergency management	1,295,826	1,196,818	99,008
Inspections	724,377	692,660	31,717
Other - professional services	-	-	-
Volunteer rescue squads	3,578,052	3,406,641	171,411
Total public safety	<u>19,834,841</u>	<u>18,813,644</u>	<u>1,021,197</u>

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

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Environmental protection			
Solid Waste	6,090,272	6,008,412	81,860
Environmental health	1,156,041	1,035,573	120,468
Soil Conservation	382,694	326,191	56,503
Cooperative extension	319,425	285,252	34,173
Total environmental protection	<u>7,948,432</u>	<u>7,655,428</u>	<u>293,004</u>
Economic and physical development			
Planning	695,908	688,136	7,772
Economic Development Commission	781,545	657,813	123,732
Convention center	1,138,082	941,040	197,042
Special Appropriation	125,473	113,843	11,630
Total economic and physical development	<u>2,741,008</u>	<u>2,400,832</u>	<u>340,176</u>
Health			
Dental	438,682	376,829	61,853
Maternity	1,380,427	1,207,860	172,567
Child Health	1,664,963	1,591,207	73,756
Risk Reduction	233,710	148,160	85,550
WIC	619,116	581,447	37,669
Adult health services	1,562,431	1,374,283	188,148
Communicable disease	221,753	199,805	21,948
Bio-terrorism	139,173	131,688	7,485
Family planning	795,589	728,900	66,689
Home health	2,084,175	1,925,901	158,274
Mental health	385,745	385,744	1
Other - unclassified	1,883,059	1,660,423	222,636
Total health	<u>11,408,823</u>	<u>10,312,247</u>	<u>1,096,576</u>
Social services			
Transportation	1,633,710	1,466,141	167,569
Administration	3,317,222	2,888,373	428,849
Employment assistance	4,693,070	4,341,781	351,289
Adult/child services	1,513,688	1,435,335	78,353
Veterans services	309,879	286,478	23,401
Senior services	517,717	397,763	119,954
Public assistance payments	1,736,885	1,215,714	521,171
TANF	6,378,568	5,921,729	456,839
Child support enforcement	1,195,122	1,066,771	128,351
Special appropriation	101,056	100,550	506
Total social services	<u>21,396,917</u>	<u>19,120,635</u>	<u>2,276,282</u>

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

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Culture and recreation			
Recreation	1,947,948	1,432,675	515,273
Libraries	1,457,677	1,457,677	-
Special appropriation	113,871	113,871	-
Total culture and recreation	<u>3,519,496</u>	<u>3,004,223</u>	<u>515,273</u>
Education - schools			
Public schools - current expenditures	22,022,230	22,022,229	1
Public schools - fines and forfeitures	102,761	85,353	17,408
Public schools - capital outlay	1,894,967	1,894,967	-
Community college	4,261,115	4,261,115	-
Total education	<u>28,281,073</u>	<u>28,263,664</u>	<u>17,409</u>
Debt Service:			
Principal	1,820,501	1,820,500	1
Interest	379,768	379,766	2
Bond issuance cost	-	-	-
Total debt service	<u>2,200,269</u>	<u>2,200,266</u>	<u>3</u>
Total expenditures	<u>112,425,480</u>	<u>105,608,867</u>	<u>6,816,613</u>
Excess of revenues over expenditures	<u>(1,575,852)</u>	<u>8,478,785</u>	<u>10,054,637</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	4,033,976	907,951	(3,126,025)
Transfer out	(9,666,981)	(9,392,128)	274,853
Total other financing sources (uses)	<u>(5,633,005)</u>	<u>(8,484,177)</u>	<u>(2,851,172)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(7,208,857)</u>	<u>(5,392)</u>	<u>7,203,465</u>
Appropriated fund balance	<u>7,208,857</u>	<u>-</u>	<u>(7,208,857)</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,392)</u>	<u>\$ (5,392)</u>
FUND BALANCE			
Beginning		<u>39,302,029</u>	
Ending		<u>\$ 39,296,637</u>	

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

COMBINING SCHEDULES OF NONMAJOR FUNDS

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,935,773	\$ 2,977,156	\$ 116,005	\$ 6,028,934
Sales tax receivable	312,551	62,036	1,056,227	1,430,814
Accounts receivable	163,893	-	1,029,300	1,193,193
Restricted cash	-	4,529,635	-	4,529,635
Total assets	<u>\$ 3,412,217</u>	<u>\$ 7,568,827</u>	<u>\$ 2,201,532</u>	<u>\$ 13,182,576</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,703	\$ 1,103,393	\$ -	\$ 1,105,096
Due to other funds	377,019	-	-	377,019
Total liabilities	<u>378,722</u>	<u>1,103,393</u>	<u>-</u>	<u>1,482,115</u>
Deferred inflows of resources:				
Taxes receivable	50,845	-	-	50,845
Total deferred inflows of resources	<u>50,845</u>	<u>-</u>	<u>-</u>	<u>50,845</u>
Fund balances:				
Restricted				
Stabilization by state statute	163,893		-	163,893
Public Safety	1,874,198	-	-	1,874,198
General government	-	2,107,453	-	2,107,453
Economic and physical development	1,323,281	4,197,928	-	5,521,209
Education, schools	-	160,053	2,201,532	2,361,585
Unassigned	(378,722)	-		(378,722)
Total fund balances	<u>2,982,650</u>	<u>6,465,434</u>	<u>2,201,532</u>	<u>11,649,616</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,412,217</u>	<u>\$ 7,568,827</u>	<u>\$ 2,201,532</u>	<u>\$ 13,182,576</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year ended June 30, 2020

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,912,270	\$ -	\$ -	\$ 4,912,270
Intergovernmental	610,827	-	1,029,300	1,640,127
Miscellaneous	1,534	-	-	1,534
Interest	420	55,616	167	56,203
Total revenues	<u>\$ 5,525,051</u>	<u>\$ 55,616</u>	<u>\$ 1,029,467</u>	<u>\$ 6,610,134</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 700,960	\$ -	\$ 700,960
Public safety	3,454,680	-	-	3,454,680
Economic and physical development	1,223,301	8,805,091	-	10,028,392
Education	-	307,957	-	307,957
Debt service:				
Principal	-	-	4,093,800	4,093,800
Interest	-	-	430,170	430,170
Total expenditures	<u>4,677,981</u>	<u>9,814,008</u>	<u>4,523,970</u>	<u>19,015,959</u>
Excess of revenues over (under) expenditures	<u>847,070</u>	<u>(9,758,392)</u>	<u>(3,494,503)</u>	<u>(12,405,825)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	117,330	5,242,497	4,485,078	9,844,905
Transfer out	(621,612)	-	-	(621,612)
Proceeds from financing	-	10,000,000	-	10,000,000
Total other financing sources (uses)	<u>(504,282)</u>	<u>15,242,497</u>	<u>4,485,078</u>	<u>19,223,293</u>
Net change in fund balances	<u>342,788</u>	<u>5,484,105</u>	<u>990,575</u>	<u>6,817,468</u>
FUND BALANCES:				
Beginning	<u>2,639,862</u>	<u>981,329</u>	<u>1,210,957</u>	<u>4,832,148</u>
Ending	<u>\$ 2,982,650</u>	<u>\$ 6,465,434</u>	<u>\$ 2,201,532</u>	<u>\$ 11,649,616</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specified revenue sources (other than Special Assessments) or to finance specified activities as required by law or administrative regulation.

The following comprise the County's Special Revenue Funds:

- **Fire District Funds** - The Fire District Funds are used to account for the County's collection of tax revenues and related expenditures for each of the 11 fire districts.
- **Emergency Telephone System Fund** - The Emergency Telephone System E-911 Fund is used to account for the revenues and expenditures related to the emergency 911 system.
- **Occupancy Tax Fund** - The Occupancy Tax Fund is used to account for the receipt of occupancy tax legally restricted to be used for a convention center in New Bern, NC and a tourist center in Havelock, NC.
- **Flood Mitigation Assistance Grant 2015-010** - Elevate six residential structures throughout County to prevent further flood loss damages.
- **Stream Debris Removal Project Fund** - These funds are allocated for the cutting and removing woody and non-woody debris from the targeted stream channels, which impede or potentially impedes water flow during rain events. This program has helped alleviate the severity and duration of flooding caused by upstream discharge.
- **Community Development Block Grant Disaster Recovery (CDBG-DR)** - As a result of Hurricane Matthew, the State of North Carolina made funds available to help low to moderate-income households recover from the storm. These funds will help six to seven household rehabilitate and/or elevate their homes.
- **Flood Mitigation Assistance Grant 2016-006**- As a part of the County's ongoing hazard mitigation activities, the County applied for and received Federal Emergency Management Agency funds to elevate 3 residential structures to help reduce future flood losses to these properties.
- **Flood Mitigation Assistance Grant 2016-014**- As a part of the County's ongoing hazard mitigation activities, the County applied for and received Federal Emergency Management Agency funds to elevate 2 residential structures to help reduce future flood losses to these
- **Community Development Block Grant Neighborhood Revitalization** - As a result of Hurricane Matthew, the County received \$750,000 from the NC Department of Commerce to elevate and rehabilitate 6 structures in western Craven County.
- **Grant Project Fund** - As a result of Hurricane Florence, the County entered into an expedited buyout program for six residential structures. The County will also provide shoreline re-stabalization to forty-two individual sites.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Flood Hazard Mitigation Assist 2015-010	Stream Debris Removal Project	CDBG-DR Active Disaster Grants Fund	Flood Hazard Mitigation Assist 2016-006	Flood Hazard Mitigation Assist 2016-014	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Totals
ASSETS											
Cash and cash equivalents	\$ 973,777	\$ 638,715	\$ 1,323,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,935,773
Taxes receivable	312,551	-	-	-	-	-	-	-	-	-	312,551
Accounts receivable	-	26,797	-	-	95,813	-	-	-	41,283	-	163,893
Total assets	<u>\$ 1,286,328</u>	<u>\$ 665,512</u>	<u>\$ 1,323,281</u>	<u>\$ -</u>	<u>\$ 95,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,283</u>	<u>\$ -</u>	<u>\$ 3,412,217</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,703	\$ 1,703
Due to other funds	-	-	-	-	155,472	1,152	57,143	28,934	100,663	33,655	377,019
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,472</u>	<u>1,152</u>	<u>57,143</u>	<u>28,934</u>	<u>100,663</u>	<u>35,358</u>	<u>378,722</u>
Deferred inflows of resources:											
Taxes receivable	50,845	-	-	-	-	-	-	-	-	-	50,845
Total deferred inflows of resources	<u>50,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,845</u>
Fund balances:											
Restricted											
Stabilization by state statute	-	26,797	-	-	95,813	-	-	-	41,283	-	163,893
Public Safety	1,235,483	638,715	-	-	-	-	-	-	-	-	1,874,198
Economic and physical development	-	-	1,323,281	-	-	-	-	-	-	-	1,323,281
Unassigned	-	-	-	-	(155,472)	(1,152)	(57,143)	(28,934)	(100,663)	(35,358)	(378,722)
Total fund balances	<u>1,235,483</u>	<u>665,512</u>	<u>1,323,281</u>	<u>-</u>	<u>(59,659)</u>	<u>(1,152)</u>	<u>(57,143)</u>	<u>(28,934)</u>	<u>(59,380)</u>	<u>(35,358)</u>	<u>2,982,650</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,286,328</u>	<u>\$ 665,512</u>	<u>\$ 1,323,281</u>	<u>\$ -</u>	<u>\$ 95,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,283</u>	<u>\$ -</u>	<u>\$ 3,412,217</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year ended June 30, 2020

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Flood Hazard Mitigation Assist 2015-010	Stream Debris Removal Project	CDBG-DR Active Disaster Grants Fund	Flood Hazard Mitigation Assist 2016-006	Flood Hazard Mitigation Assist 2016-014	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Totals
REVENUES											
Taxes	\$ 3,306,553	\$ -	\$ 1,605,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,912,270
Intergovernmental	-	288,035	-	-	203,434	-	119,251	107	-	-	610,827
Miscellaneous	-	-	1,534	-	-	-	-	-	-	-	1,534
Interest	-	130	290	-	-	-	-	-	-	-	420
Total revenues	<u>3,306,553</u>	<u>288,165</u>	<u>1,607,541</u>	<u>-</u>	<u>203,434</u>	<u>-</u>	<u>119,251</u>	<u>107</u>	<u>-</u>	<u>-</u>	<u>5,525,051</u>
EXPENDITURES											
Current:											
Public safety	3,325,298	129,382	-	-	-	-	-	-	-	-	3,454,680
Economic and physical development	-	-	655,215	-	295,423	-	161,959	15,966	59,380	35,358	1,223,301
Total expenditures	<u>3,325,298</u>	<u>129,382</u>	<u>655,215</u>	<u>-</u>	<u>295,423</u>	<u>-</u>	<u>161,959</u>	<u>15,966</u>	<u>59,380</u>	<u>35,358</u>	<u>4,677,981</u>
Revenues over (under) expenditures	<u>(18,745)</u>	<u>158,783</u>	<u>952,326</u>	<u>-</u>	<u>(91,989)</u>	<u>-</u>	<u>(42,708)</u>	<u>(15,859)</u>	<u>(59,380)</u>	<u>(35,358)</u>	<u>882,428</u>
OTHER FINANCING SOURCES (USES)											
Transfers in (out)											
To general fund	-	-	(621,612)	-	-	-	-	-	-	-	(621,612)
From County Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
From General Fund	117,330	-	-	-	-	-	-	-	-	-	117,330
Total other financing sources (uses)	<u>117,330</u>	<u>-</u>	<u>(621,612)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(504,282)</u>
Net change in fund balances	<u>98,585</u>	<u>158,783</u>	<u>330,714</u>	<u>-</u>	<u>(91,989)</u>	<u>-</u>	<u>(42,708)</u>	<u>(15,859)</u>	<u>(59,380)</u>	<u>(35,358)</u>	<u>342,788</u>
FUND BALANCES:											
Beginning	1,136,898	506,729	992,567	-	32,330	(1,152)	(14,435)	(13,075)	-	-	2,639,862
Ending	<u>\$ 1,235,483</u>	<u>\$ 665,512</u>	<u>\$ 1,323,281</u>	<u>\$ -</u>	<u>\$ (59,659)</u>	<u>\$ (1,152)</u>	<u>\$ (57,143)</u>	<u>\$ (28,934)</u>	<u>\$ (59,380)</u>	<u>\$ (35,358)</u>	<u>\$ 2,982,650</u>

CRAVEN COUNTY, NORTH CAROLINA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
June 30, 2020

	Rhems	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township	No. 6 Township	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
ASSETS												
Cash and cash equivalents	\$ 99,255	\$ 95,019	\$ 249,891	\$ 60,627	\$ 38,878	\$ 57,629	\$ 133,617	\$ 42,839	\$ 103,951	\$ 85,107	\$ 6,964	\$ 973,777
Taxes receivable	25,019	26,175	50,692	18,890	29,021	36,152	27,497	40,281	34,232	23,275	1,317	312,551
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 124,274</u>	<u>\$ 121,194</u>	<u>\$ 300,583</u>	<u>\$ 79,517</u>	<u>\$ 67,899</u>	<u>\$ 93,781</u>	<u>\$ 161,114</u>	<u>\$ 83,120</u>	<u>\$ 138,183</u>	<u>\$ 108,382</u>	<u>\$ 8,281</u>	<u>\$ 1,286,328</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES												
Deferred inflows of resources:												
Unavailable revenue - taxes	\$ 2,585	\$ 5,873	\$ 7,745	\$ 5,061	\$ 7,549	\$ 7,145	\$ 1,919	\$ 5,116	\$ 2,118	\$ 5,205	\$ 529	\$ 50,845
Total deferred inflows of resources	<u>2,585</u>	<u>5,873</u>	<u>7,745</u>	<u>5,061</u>	<u>7,549</u>	<u>7,145</u>	<u>1,919</u>	<u>5,116</u>	<u>2,118</u>	<u>5,205</u>	<u>529</u>	<u>50,845</u>
Fund balances:												
Restricted												
Stabilization by state statute	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	121,689	115,321	292,838	74,456	60,350	86,636	159,195	78,004	136,065	103,177	7,752	1,235,483
Total fund balances	<u>121,689</u>	<u>115,321</u>	<u>292,838</u>	<u>74,456</u>	<u>60,350</u>	<u>86,636</u>	<u>159,195</u>	<u>78,004</u>	<u>136,065</u>	<u>103,177</u>	<u>7,752</u>	<u>1,235,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 124,274</u>	<u>\$ 121,194</u>	<u>\$ 300,583</u>	<u>\$ 79,517</u>	<u>\$ 67,899</u>	<u>\$ 93,781</u>	<u>\$ 161,114</u>	<u>\$ 83,120</u>	<u>\$ 138,183</u>	<u>\$ 108,382</u>	<u>\$ 8,281</u>	<u>\$ 1,286,328</u>

CRAVEN COUNTY, NORTH CAROLINA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
For the Fiscal Year ended June 30, 2020

	Rhems	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township	No. 6 Township	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
REVENUES												
Taxes:												
Property	\$ 191,580	\$ 196,470	\$ 334,021	\$ 126,172	\$ 210,146	\$ 267,418	\$ 204,525	\$ 352,740	\$ 282,046	\$ 173,490	\$ 6,396	\$ 2,345,004
Sales and use tax	83,772	74,044	138,256	51,573	79,859	105,640	93,682	148,438	115,319	68,192	2,774	961,549
Total revenues	<u>275,352</u>	<u>270,514</u>	<u>472,277</u>	<u>177,745</u>	<u>290,005</u>	<u>373,058</u>	<u>298,207</u>	<u>501,178</u>	<u>397,365</u>	<u>241,682</u>	<u>9,170</u>	<u>3,306,553</u>
EXPENDITURES												
Remittances to fire districts	209,268	260,593	468,933	209,391	336,566	366,768	269,455	473,468	433,938	215,033	-	3,243,413
Workers' compensation	2,785	4,355	4,550	2,730	8,165	2,535	3,705	10,400	3,825	4,875	-	47,925
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Grant match - safety	-	-	-	-	22,608	-	-	-	-	-	-	22,608
Miscellaneous	1,018	1,018	1,017	1,018	2,062	1,019	1,018	1,351	1,018	813	-	11,352
Total expenditures	<u>213,071</u>	<u>265,966</u>	<u>474,500</u>	<u>213,139</u>	<u>369,401</u>	<u>370,322</u>	<u>274,178</u>	<u>485,219</u>	<u>438,781</u>	<u>220,721</u>	<u>-</u>	<u>3,325,298</u>
Revenues over (under) expenditures	62,281	4,548	(2,223)	(35,394)	(79,396)	2,736	24,029	15,959	(41,416)	20,961	9,170	(18,745)
OTHER FINANCING SOURCES (USES)												
Transfers in (out):												
From General Fund	-	-	-	28,705	79,477	-	-	-	-	9,148	-	117,330
Between fire districts	(41,724)	(14,313)	7,380	14,313	3,000	2,610	(2,610)	-	41,724	(3,000)	(7,380)	-
Total other financing sources (uses)	<u>(41,724)</u>	<u>(14,313)</u>	<u>7,380</u>	<u>43,018</u>	<u>82,477</u>	<u>2,610</u>	<u>(2,610)</u>	<u>-</u>	<u>41,724</u>	<u>6,148</u>	<u>(7,380)</u>	<u>117,330</u>
Net change in fund balances	20,557	(9,765)	5,157	7,624	3,081	5,346	21,419	15,959	308	27,109	1,790	98,585
FUND BALANCES												
Beginning	<u>101,132</u>	<u>125,086</u>	<u>287,681</u>	<u>66,832</u>	<u>57,269</u>	<u>81,290</u>	<u>137,776</u>	<u>62,045</u>	<u>135,757</u>	<u>76,068</u>	<u>5,962</u>	<u>1,136,898</u>
Ending	<u>\$ 121,689</u>	<u>\$ 115,321</u>	<u>\$ 292,838</u>	<u>\$ 74,456</u>	<u>\$ 60,350</u>	<u>\$ 86,636</u>	<u>\$ 159,195</u>	<u>\$ 78,004</u>	<u>\$ 136,065</u>	<u>\$ 103,177</u>	<u>\$ 7,752</u>	<u>\$ 1,235,483</u>

CRAVEN COUNTY, NORTH CAROLINA
RHEMS FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 180,817	\$ 191,580	\$ 10,763
Sales and use tax	72,785	83,772	10,987
Total revenues	<u>253,602</u>	<u>275,352</u>	<u>21,750</u>
EXPENDITURES			
Remittances to fire districts	209,268	209,268	-
Workers' compensation	3,200	2,785	415
Capital outlay	-	-	-
Miscellaneous	1,300	1,018	282
Total expenditures	<u>213,768</u>	<u>213,071</u>	<u>697</u>
Revenues over (under) expenditures	<u>39,834</u>	<u>62,281</u>	<u>22,447</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To West New Bern Fire District	<u>(41,724)</u>	<u>(41,724)</u>	<u>-</u>
Total other financing sources (uses)	<u>(41,724)</u>	<u>(41,724)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(1,890)	20,557	22,447
Appropriated fund balance	<u>1,890</u>	<u>-</u>	<u>(1,890)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	20,557	<u>\$ 20,557</u>
FUND BALANCES			
Beginning		<u>101,132</u>	
Ending		<u>\$ 121,689</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 1 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 187,076	\$ 196,470	\$ 9,394
Sales and use tax	71,595	74,044	2,449
Total revenues	<u>258,671</u>	<u>270,514</u>	<u>11,843</u>
EXPENDITURES			
Remittances to fire districts	260,593	260,593	-
Workers' compensation	4,700	4,355	345
Capital outlay	8,065	-	8,065
Grant match - safety	-	-	-
Miscellaneous	1,018	1,018	-
Total expenditures	<u>274,376</u>	<u>265,966</u>	<u>8,410</u>
Revenues over (under) expenditures	<u>(15,705)</u>	<u>4,548</u>	<u>20,253</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Little Swift Creeek Fire District	<u>(14,313)</u>	<u>(14,313)</u>	<u>-</u>
Total other financing sources (uses)	<u>(14,313)</u>	<u>(14,313)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(30,018)	(9,765)	20,253
Appropriated fund balance	<u>30,018</u>	<u>-</u>	<u>(30,018)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(9,765)	<u>\$ (9,765)</u>
FUND BALANCES			
Beginning		<u>125,086</u>	
Ending		<u>\$ 115,321</u>	

CRAVEN COUNTY, NORTH CAROLINA
TRI-COMMUNITY FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 319,808	\$ 334,021	\$ 14,213
Sales and use tax	131,475	138,256	6,781
Total revenues	<u>451,283</u>	<u>472,277</u>	<u>20,994</u>
EXPENDITURES			
Remittances to fire districts	468,933	468,933	-
Workers' compensation	5,282	4,550	732
Capital outlay	-	-	-
Miscellaneous	1,018	1,017	1
Total expenditures	<u>475,233</u>	<u>474,500</u>	<u>733</u>
Revenues over (under) expenditures	<u>(23,950)</u>	<u>(2,223)</u>	<u>21,727</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Sandy Point	<u>7,380</u>	<u>7,380</u>	<u>-</u>
Total other financing sources (uses)	<u>7,380</u>	<u>7,380</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(16,570)	5,157	21,727
Appropriated fund balance	<u>16,570</u>	<u>-</u>	<u>(16,570)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>5,157</u>	<u>\$ 5,157</u>
FUND BALANCES			
Beginning		<u>287,681</u>	
Ending		<u>\$ 292,838</u>	

CRAVEN COUNTY, NORTH CAROLINA
LITTLE SWIFT CREEK FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 127,863	\$ 126,172	\$ (1,691)
Sales and use tax	51,319	51,573	254
Total revenues	<u>179,182</u>	<u>177,745</u>	<u>(1,437)</u>
EXPENDITURES			
Remittances to fire districts	209,391	209,391	-
Workers' compensation	2,730	2,730	-
Capital outlay	9,209	-	9,209
Miscellaneous	1,018	1,018	-
Total expenditures	<u>222,348</u>	<u>213,139</u>	<u>9,209</u>
Revenues over (under) expenditures	<u>(43,166)</u>	<u>(35,394)</u>	<u>7,772</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	28,705	28,705	-
From Township No. 9 Fire District Fund	14,313	14,313	-
Total other financing sources (uses)	<u>43,018</u>	<u>43,018</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(148)	7,624	7,772
Appropriated fund balance	<u>148</u>	<u>-</u>	<u>(148)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	7,624	<u>\$ 7,624</u>
FUND BALANCES			
Beginning		<u>66,832</u>	
Ending		<u>\$ 74,456</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 3 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 211,019	\$ 210,146	\$ (873)
Sales and use tax	76,378	79,859	3,481
Total revenues	<u>287,397</u>	<u>290,005</u>	<u>2,608</u>
EXPENDITURES			
Remittances to fire districts	338,305	336,566	1,739
Workers' compensation	8,550	8,165	385
Capital outlay	-	-	-
Grant match	22,608	22,608	-
Miscellaneous	2,150	2,062	88
Total expenditures	<u>371,613</u>	<u>369,401</u>	<u>2,212</u>
Revenues over (under) expenditures	<u>(84,216)</u>	<u>(79,396)</u>	<u>4,820</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	81,216	79,477	(1,739)
From Township No. 9 Fire District Fund	3,000	3,000	-
Total other financing sources (uses)	<u>84,216</u>	<u>82,477</u>	<u>(1,739)</u>
Revenues over (under) expenditures and other financing sources (uses)	-	3,081	3,081
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>3,081</u>	<u>\$ 3,081</u>
FUND BALANCES			
Beginning		<u>57,269</u>	
Ending		<u>\$ 60,350</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 5 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 265,990	\$ 267,418	\$ 1,428
Sales and use tax	102,168	105,640	3,472
Total revenues	<u>368,158</u>	<u>373,058</u>	<u>4,900</u>
EXPENDITURES			
Remittances to fire districts	366,768	366,768	-
Workers' compensation	2,700	2,535	165
Capital outlay	-	-	-
Miscellaneous	1,300	1,019	281
Total expenditures	<u>370,768</u>	<u>370,322</u>	<u>446</u>
Revenues over (under) expenditures	<u>(2,610)</u>	<u>2,736</u>	<u>5,346</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	-	-	-
From Township No. 6 Fire District Fund	2,610	2,610	-
Total other financing sources (uses)	<u>2,610</u>	<u>2,610</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	5,346	<u>\$ 5,346</u>
FUND BALANCES			
Beginning		<u>81,290</u>	
Ending		<u>\$ 86,636</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 6 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 198,700	\$ 204,525	\$ 5,825
Sales and use tax	77,365	93,682	16,317
Total revenues	<u>276,065</u>	<u>298,207</u>	<u>22,142</u>
EXPENDITURES			
Remittances to fire districts	269,455	269,455	-
Workers' compensation	3,705	3,705	-
Capital outlay	-	-	-
Miscellaneous	1,018	1,018	-
Total expenditures	<u>274,178</u>	<u>274,178</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,887</u>	<u>24,029</u>	<u>22,142</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 5 Fire District Fund	<u>(2,610)</u>	<u>(2,610)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,610)</u>	<u>(2,610)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(723)	21,419	22,142
Appropriated fund balance	<u>723</u>	<u>-</u>	<u>(723)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	21,419	<u>\$ 21,419</u>
FUND BALANCES			
Beginning		<u>137,776</u>	
Ending		<u>\$ 159,195</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 7 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 351,451	\$ 352,740	\$ 1,289
Sales and use tax	134,217	148,438	14,221
Total revenues	<u>485,668</u>	<u>501,178</u>	<u>15,510</u>
EXPENDITURES			
Remittances to fire districts	473,468	473,468	-
Workers' compensation	10,800	10,400	400
Miscellaneous	1,400	1,351	49
Total expenditures	<u>485,668</u>	<u>485,219</u>	<u>449</u>
Revenues over (under) expenditures	<u>-</u>	<u>15,959</u>	<u>15,959</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>15,959</u>	<u>\$ 15,959</u>
FUND BALANCES			
Beginning		<u>62,045</u>	
Ending		<u>\$ 78,004</u>	

CRAVEN COUNTY, NORTH CAROLINA
WEST NEW BERN FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 286,682	\$ 282,046	\$ (4,636)
Sales and use tax	110,432	115,319	4,887
Total revenues	<u>397,114</u>	<u>397,365</u>	<u>251</u>
EXPENDITURES			
Remittances to fire districts	433,938	433,938	-
Workers' compensation	3,900	3,825	75
Capital outlay	-	-	-
Miscellaneous	1,018	1,018	-
Total expenditures	<u>438,856</u>	<u>438,781</u>	<u>75</u>
Revenues over (under) expenditures	<u>(41,742)</u>	<u>(41,416)</u>	<u>326</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Rhems	<u>41,724</u>	<u>41,724</u>	<u>-</u>
Total other financing sources (uses)	<u>41,724</u>	<u>41,724</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(18)	308	326
Appropriated fund balance	<u>18</u>	<u>-</u>	<u>(18)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>308</u>	<u>\$ 308</u>
FUND BALANCES			
Beginning		<u>135,757</u>	
Ending		<u>\$ 136,065</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 9 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 170,465	\$ 173,490	\$ 3,025
Sales and use tax	65,390	68,192	2,802
Total revenues	<u>235,855</u>	<u>241,682</u>	<u>5,827</u>
EXPENDITURES			
Remittances to fire districts	215,315	215,033	282
Workers' compensation	4,875	4,875	-
Capital outlay	22,070	-	22,070
Miscellaneous	813	813	-
Total expenditures	<u>243,073</u>	<u>220,721</u>	<u>22,352</u>
Revenues over (under) expenditures	<u>(7,218)</u>	<u>20,961</u>	<u>28,179</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 3 Township Fire District Fund	(3,000)	(3,000)	-
From General Fund	9,430	9,148	(282)
Total other financing sources (uses)	<u>6,430</u>	<u>6,148</u>	<u>(282)</u>
Revenues over (under) expenditures and other financing sources (uses)	(788)	27,109	27,897
Appropriated fund balance	<u>788</u>	<u>-</u>	<u>(788)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	27,109	<u>\$ 27,109</u>
FUND BALANCES			
Beginning		<u>76,068</u>	
Ending		<u>\$ 103,177</u>	

CRAVEN COUNTY, NORTH CAROLINA
SANDY POINT SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 6,009	\$ 6,396	\$ 387
Sales and use tax	2,676	2,774	98
Total revenues	<u>8,685</u>	<u>9,170</u>	<u>485</u>
EXPENDITURES			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>8,685</u>	<u>9,170</u>	<u>485</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Tri-Community Fire District Fund	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	1,305	1,790	485
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ 1,305</u>	1,790	<u>\$ 485</u>
FUND BALANCES			
Beginning		<u>5,962</u>	
Ending		<u>\$ 7,752</u>	

CRAVEN COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 288,036	\$ 288,035	\$ (1)
Miscellaneous income	-	-	-
Interest	500	130	(370)
Total revenues	<u>288,536</u>	<u>288,165</u>	<u>(371)</u>
EXPENDITURES			
Public safety	<u>228,698</u>	<u>129,382</u>	<u>(99,316)</u>
Total expenditures	<u>228,698</u>	<u>129,382</u>	<u>(99,316)</u>
Revenues over (under) expenditures	<u>59,838</u>	<u>158,783</u>	<u>98,945</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out):			
To General fund	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	59,838	158,783	98,945
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ 59,838</u>	158,783	<u>\$ 98,945</u>
FUND BALANCES			
Beginning		<u>506,729</u>	
Ending		<u>\$ 665,512</u>	

CRAVEN COUNTY, NORTH CAROLINA
OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 747,050	\$ 1,605,717	\$ 858,667
Miscellaneous income	5,000	1,534	(3,466)
Interest	-	290	290
Total revenues	<u>752,050</u>	<u>1,607,541</u>	<u>855,491</u>
EXPENDITURES			
Economic and physical development:			
Remittance to City of Havelock	97,000	97,000	-
Remittance to Tourism Development Authority	654,770	557,935	(96,835)
Professional services	280	280	-
Total expenditures	<u>752,050</u>	<u>655,215</u>	<u>(96,835)</u>
Revenues over (under) expenditures	<u>-</u>	<u>952,326</u>	<u>952,326</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To General fund	<u>(621,612)</u>	<u>(621,612)</u>	<u>-</u>
Total other financing sources (uses)	<u>(621,612)</u>	<u>(621,612)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(621,612)</u>	<u>330,714</u>	<u>952,326</u>
Appropriated fund balance	<u>621,612</u>	<u>-</u>	<u>(621,612)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>330,714</u>	<u>\$ 330,714</u>
FUND BALANCES			
Beginning		<u>992,567</u>	
Ending		<u>\$ 1,323,281</u>	

CRAVEN COUNTY, NORTH CAROLINA
FLOOD HAZARD MITIGATION ASSISTANCE PROJECT 2015-010
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	\$ 734,149	\$ 357,609	\$ -	\$ 357,609	\$ (376,540)
Owner contributions	81,572	111,110	-	111,110	29,538
Total revenues	<u>815,721</u>	<u>468,719</u>	<u>-</u>	<u>468,719</u>	<u>(347,002)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	815,721	468,719	-	468,719	347,002
Total expenditures	<u>815,721</u>	<u>468,719</u>	<u>-</u>	<u>468,719</u>	<u>347,002</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES					
Beginning			<u>-</u>		
Ending			<u>\$ -</u>		

CRAVEN COUNTY, NORTH CAROLINA
STREAM DEBRIS REMOVAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernmental	\$ 709,229	\$ 168,636	\$ 113,554	\$ 282,190	\$ (427,039)
Golden Leaf Foundation Grant	618,670	520,745	89,880	610,625	(8,045)
Total revenues	<u>1,327,899</u>	<u>689,381</u>	<u>203,434</u>	<u>892,815</u>	<u>(435,084)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	<u>1,378,129</u>	<u>707,281</u>	<u>295,423</u>	<u>1,002,704</u>	<u>375,425</u>
Total expenditures	<u>1,378,129</u>	<u>707,281</u>	<u>295,423</u>	<u>1,002,704</u>	<u>375,425</u>
Revenues over (under) expenditures	<u>(50,230)</u>	<u>(17,900)</u>	<u>(91,989)</u>	<u>(109,889)</u>	<u>(59,659)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
From Reserve fund	<u>50,230</u>	<u>50,230</u>	<u>-</u>	<u>50,230</u>	<u>-</u>
Total other financing sources (uses)	<u>50,230</u>	<u>50,230</u>	<u>-</u>	<u>50,230</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 32,330</u>	<u>(91,989)</u>	<u>\$ (59,659)</u>	<u>\$ (59,659)</u>
FUND BALANCES					
Beginning			<u>32,330</u>		
Ending			<u>\$ (59,659)</u>		

CRAVEN COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES					
Beginning			<u>(1,152)</u>		
Ending			<u>\$ (1,152)</u>		

CRAVEN COUNTY, NORTH CAROLINA
FLOOD HAZARD MITIGATION ASSISTANCE PROJECT 2016-006
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	\$ 502,173	\$ 310,516	\$ 119,251	\$ 429,767	\$ (72,406)
Total revenues	<u>502,173</u>	<u>310,516</u>	<u>119,251</u>	<u>429,767</u>	<u>(72,406)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	502,173	324,951	161,959	486,910	15,263
Total expenditures	<u>502,173</u>	<u>324,951</u>	<u>161,959</u>	<u>486,910</u>	<u>15,263</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (14,435)</u>	(42,708)	<u>\$ (57,143)</u>	<u>\$ (57,143)</u>
FUND BALANCES					
Beginning			(14,435)		
Ending			<u>\$ (57,143)</u>		

CRAVEN COUNTY, NORTH CAROLINA
FLOOD HAZARD MITIGATION ASSISTANCE PROJECT 2016-014
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	\$ 348,099	\$ 183,122	\$ 107	\$ 183,229	\$ (164,870)
Total revenues	<u>348,099</u>	<u>183,122</u>	<u>107</u>	<u>183,229</u>	<u>(164,870)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	348,099	196,197	15,966	212,163	135,936
Total expenditures	<u>348,099</u>	<u>196,197</u>	<u>15,966</u>	<u>212,163</u>	<u>135,936</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (13,075)</u>	(15,859)	<u>\$ (28,934)</u>	<u>\$ (28,934)</u>
FUND BALANCES					
Beginning			<u>(13,075)</u>		
Ending			<u><u>\$(28,934)</u></u>		

CRAVEN COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT NEIGHBORHOOD REVITALIZATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	<u>\$ 750,000</u>	<u>\$ 41,283</u>	<u>\$ -</u>	<u>\$ 41,283</u>	<u>\$ (708,717)</u>
Total revenues	<u>750,000</u>	<u>41,283</u>	<u>-</u>	<u>41,283</u>	<u>(708,717)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	<u>750,000</u>	<u>41,283</u>	<u>59,380</u>	<u>100,663</u>	<u>649,337</u>
Total expenditures	<u>750,000</u>	<u>41,283</u>	<u>59,380</u>	<u>100,663</u>	<u>649,337</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(59,380)</u>	<u>\$ (59,380)</u>	<u>\$ (59,380)</u>
FUND BALANCES					
Beginning			<u>-</u>		
Ending			<u>\$ (59,380)</u>		

CRAVEN COUNTY, NORTH CAROLINA
GRANT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment					
FEMA	\$ 629,670	\$ -	\$ -	\$ -	\$ (629,670)
US Department of Agriculture	2,956,088	-	-	-	(2,956,088)
NC Dept of Agriculture	1,047,521	-	-	-	(1,047,521)
NC Dept of Public Safety	209,889	-	-	-	(209,889)
Total revenues	<u>4,843,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,843,168)</u>
EXPENDITURES					
Economic and physical development:					
HMGP 4393-008-R					
Admin	481,859	-	-	-	481,859
Land Acquisition	688,002	-	32,933	32,933	655,069
Demolition	117,156	-	2,425	2,425	114,731
EWP Event #5308					
Admin	34,401	-	-	-	34,401
Construction	3,521,750	-	-	-	3,521,750
Total expenditures	<u>4,843,168</u>	<u>-</u>	<u>35,358</u>	<u>35,358</u>	<u>4,807,810</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(35,358)</u>	<u>\$ (35,358)</u>	<u>\$ (35,358)</u>
FUND BALANCES					
Beginning			-		
Ending			<u>\$ (35,358)</u>		

DEBT SERVICE FUND

The debt service fund is being used to account for the accumulation of resources and payment of general obligation school bond and installment loans principal and interest from intergovernmental and local resources. The fund is accounted for on the modified accrual basis of accounting.

CRAVEN COUNTY, NORTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental - lottery proceeds	\$ 14,878	\$ 1,029,300	\$ 1,014,422
Interest	-	167	167
Total revenues	<u>14,878</u>	<u>1,029,467</u>	<u>1,014,589</u>
EXPENDITURES			
Principal	4,093,800	4,093,800	-
Interest and fiscal charges	431,269	430,170	(1,099)
Total expenditures	<u>4,525,069</u>	<u>4,523,970</u>	<u>(1,099)</u>
Revenues over (under) expenditures	<u>(4,510,191)</u>	<u>(3,494,503)</u>	<u>1,015,688</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	<u>4,507,910</u>	<u>4,485,078</u>	<u>(22,832)</u>
Total other financing sources (uses)	<u>4,507,910</u>	<u>4,485,078</u>	<u>(22,832)</u>
Revenues and other sources over (under) expenditures and other financing uses	(2,281)	990,575	992,856
Appropriated fund balance	<u>2,281</u>	<u>-</u>	<u>(2,281)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	990,575	<u>\$ 990,575</u>
FUND BALANCES			
Beginning		<u>1,210,957</u>	
Ending		<u>\$ 2,201,532</u>	

CAPITAL PROJECT FUNDS

Capital Project Funds account for all resources used for the acquisition and/or construction of major capital facilities other than those furnished by Enterprise Funds.

The following comprise the County's Capital Project Funds:

Major Fund:

- **County Reserve Fund** - The County Reserve Capital Project Fund is a capital reserve fund for future acquisitions or construction of buildings and equipment.

Non-major Funds:

- **School Capital Fund** - Fund category 1 capital projects over \$100,000 for Craven County Board of Education.
- **Convention Center Restoration Project Fund** - Restoration and improvements of the existing convention center.
- **ERP Software Replace Phase One** - Conversion from current financial reporting packing software to Munis (Tyler) package.
- **Courthouse / EOC Recovery Project Fund** - Restoration and improvements of the existing Courthouse.

All Capital Project Funds are accounted for on the modified accrual basis of accounting.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2020

	School Capital Fund	Convention Center Restoration Fund	ERP Software Replace Phase One	Courthouse/ EOC Recovery Project	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 872,885	\$ 777,209	\$ 1,327,062	\$ 2,977,156
Restricted cash	160,053	4,369,582	-	-	4,529,635
Sales tax receivable	-	52,970	9,066	-	62,036
Total assets	<u>160,053</u>	<u>5,295,437</u>	<u>786,275</u>	<u>1,327,062</u>	<u>7,568,827</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	-	1,097,509	5,884	-	1,103,393
Total liabilities	<u>-</u>	<u>1,097,509</u>	<u>5,884</u>	<u>-</u>	<u>1,103,393</u>
Fund balances:					
Restricted					
Education, schools	160,053		-	-	160,053
General government	-		780,391	1,327,062	2,107,453
Economic and physical development	-	4,197,928	-	-	4,197,928
Unassigned	-	-	-	-	-
Total fund balances	<u>160,053</u>	<u>4,197,928</u>	<u>780,391</u>	<u>1,327,062</u>	<u>6,465,434</u>
Total liabilities and fund balances	<u>\$ 160,053</u>	<u>\$ 5,295,437</u>	<u>\$ 786,275</u>	<u>\$ 1,327,062</u>	<u>\$ 7,568,827</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Fiscal Year ended June 30, 2020

	School Capital Fund	Covention Center Restoration Fund	ERP Softwre Replace Phase One	Courthouse/ EOC Recovery Project	Total
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	53	55,375	188	-	55,616
Total revenues	<u>53</u>	<u>55,375</u>	<u>188</u>	<u>-</u>	<u>55,616</u>
EXPENDITURES					
General government		-	133,569	567,391	700,960
Economic and physcial development		8,805,091	-	-	8,805,091
Public safety		-	-	-	-
Education	307,957	-	-	-	307,957
Total expenditures	<u>307,957</u>	<u>8,805,091</u>	<u>133,569</u>	<u>567,391</u>	<u>9,814,008</u>
Revenues over (under) expenditures	<u>(307,904)</u>	<u>(8,749,716)</u>	<u>(133,381)</u>	<u>(567,391)</u>	<u>(9,758,392)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	160,000	3,188,044	-	1,894,453	5,242,497
Transfer out			-	-	-
Issuance of Debt		10,000,000	-	-	10,000,000
Total other financing sources (uses)	<u>160,000</u>	<u>13,188,044</u>	<u>-</u>	<u>1,894,453</u>	<u>15,242,497</u>
Net change in fund balances	<u>(147,904)</u>	<u>4,438,328</u>	<u>(133,381)</u>	<u>1,327,062</u>	<u>5,484,105</u>
FUND BALANCES:					
Beginning	<u>307,957</u>	<u>(240,400)</u>	<u>913,772</u>	<u>-</u>	<u>981,329</u>
Ending	<u>\$ 160,053</u>	<u>\$ 4,197,928</u>	<u>\$ 780,391</u>	<u>\$ 1,327,062</u>	<u>\$ 6,465,434</u>

CRAVEN COUNTY, NORTH CAROLINA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 1,384,584	\$ 58,749	\$ 1,443,333
Total revenues	-	1,384,584	58,749	1,443,333
OTHER FINANCING SOURCES				
Transfers in (out):				
From General fund	-	11,615,741	-	11,615,741
To General fund	(3,725,464)	(850,016)	(638,339)	(1,488,355)
To ERP Software Replace Phase 1	-	(1,518,867)	-	(1,518,867)
To Stream Debris Removal	-	(50,230)	-	(50,230)
Total other financing sources (uses)	(3,725,464)	9,196,628	(638,339)	8,558,289
Revenues and other sources over (under) expenditures and other financing uses	(3,725,464)	10,581,212	(579,590)	10,001,622
Appropriated fund balance	3,725,464	-	-	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$10,581,212	(579,590)	\$ 10,001,622
FUND BALANCES				
Beginning			10,581,212	
Ending			\$10,001,622	

CRAVEN COUNTY, NORTH CAROLINA
SCHOOL CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 53	\$ 53
Total revenues	<u>-</u>	<u>53</u>	<u>53</u>
EXPENDITURES			
Capital outlay:			
Public schools	467,957	307,957	(160,000)
Total expenditures	<u>467,957</u>	<u>307,957</u>	<u>(160,000)</u>
Revenues over (under) expenditures	<u>(467,957)</u>	<u>(307,904)</u>	<u>160,053</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	160,000	160,000	-
Appropriated fund balance	307,957	-	(307,957)
Total other financing sources	<u>467,957</u>	<u>160,000</u>	<u>(307,957)</u>
Revenues over (under) expenditures and other financing sources	<u>\$ -</u>	<u>(147,904)</u>	<u>\$ (147,904)</u>
FUND BALANCES			
Beginning		<u>307,957</u>	
Ending		<u>\$ 160,053</u>	

CRAVEN COUNTY, NORTH CAROLINA
CONVENTION CENTER RESTORATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year ended June 30, 2020

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
REVENUES					
Interest on investments	\$ 42,000	\$ -	\$ 55,375	\$ 55,375	\$ 13,375
Total revenues	<u>42,000</u>	<u>-</u>	<u>55,375</u>	<u>55,375</u>	<u>13,375</u>
EXPENDITURES					
Capital outlay:					
Project construction	12,580,061	240,400	8,818,819	9,059,219	3,520,842
Capital outlay	250,000	-	258	258	249,742
Contingency	361,000	-	-	-	361,000
Contractor sales tax refund	-	-	(52,968)	(52,968)	52,968
Bond issuance cost	38,983	-	38,982	38,982	1
Total expenditures	<u>13,230,044</u>	<u>240,400</u>	<u>8,805,091</u>	<u>9,045,491</u>	<u>4,184,553</u>
Revenues over (under) expenditures	<u>(13,188,044)</u>	<u>(240,400)</u>	<u>(8,749,716)</u>	<u>(8,990,116)</u>	<u>4,197,928</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	3,188,044	-	3,188,044	3,188,044	-
Issuance of debt	10,000,000	-	10,000,000	10,000,000	-
Total other financing sources (uses)	<u>13,188,044</u>	<u>-</u>	<u>13,188,044</u>	<u>13,188,044</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$(240,400)</u>	<u>\$4,438,328</u>	<u>\$ 4,197,928</u>	<u>\$ 4,197,928</u>
FUND BALANCES					
Beginning			<u>(240,400)</u>		
Ending			<u>\$4,197,928</u>		

CRAVEN COUNTY, NORTH CAROLINA
ERP SOFTWARE REPLACE PHASE ONE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
REVENUES					
Interest	\$ -	\$ 260	\$ 188	\$ 448	\$ 448
Total revenues	-	260	188	448	448
EXPENDITURES					
Capital outlay:					
Project construction	1,643,511	1,058,577	125,474	1,184,051	459,460
Capital outlay	231,084		5,995	5,995	225,089
Contingency	97,494		2,100	2,100	95,394
Total expenditures	1,972,089	1,058,577	133,569	1,192,146	779,943
Revenues over (under) expenditures	(1,972,089)	(1,058,317)	(133,381)	(1,191,698)	780,391
OTHER FINANCING SOURCES					
Transfers in (out):					
From General fund	270,000	270,000	-	270,000	-
From Capital Reserve Fund	1,518,867	1,518,867	-	1,518,867	-
From Water Operating Fund	183,222	183,222	-	183,222	-
Total other financing sources	1,972,089	1,972,089	-	1,972,089	-
Revenues and other sources over expenditures and other uses	\$ -	\$ 913,772	(133,381)	\$ 780,391	\$ 780,391
FUND BALANCES					
Beginning			913,772		
Ending			\$780,391		

CRAVEN COUNTY, NORTH CAROLINA
COURTHOUSE / EOC RECOVERY PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

From the Inception and for the Fiscal Year ended June 30, 2020

		<u>Actual</u>			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Project construction	1,830,453	-	567,391	567,391	1,263,062
Contingency	64,000	-	-	-	64,000
Total expenditures	<u>1,894,453</u>	<u>-</u>	<u>567,391</u>	<u>567,391</u>	<u>1,327,062</u>
Revenues over (under) expenditures	<u>(1,894,453)</u>	<u>-</u>	<u>(567,391)</u>	<u>(567,391)</u>	<u>(1,327,062)</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	1,894,453	-	1,894,453	1,894,453	-
Total other financing sources (uses)	<u>1,894,453</u>	<u>-</u>	<u>1,894,453</u>	<u>1,894,453</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,327,062</u>	<u>\$ 1,327,062</u>	<u>\$ (1,327,062)</u>
FUND BALANCES					
Beginning			<u>-</u>		
Ending			<u><u>\$1,327,062</u></u>		

ENTERPRISE FUNDS

Enterprise Funds account for operations that are either financed and operated in a manner similar to a private business or where the County has decided that periodic determination of net income is appropriate for capital maintenance, management control accountability, public policy or other policies.

The following comprise the County's Enterprise Fund:

Water and Sewer Funds - The Water and Sewer Funds are used to account for the operation of water services provided throughout Craven County.

- Craven County Water Fund (Major Fund)

The following Water and Sewer Districts comprise the County's Blended Component Units:

- Northwest Craven Water and Sewer District

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF NET POSITION
CRAVEN COUNTY WATER FUND
June 30, 2020

	Craven County Water Operating Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 13,231,825
Short-term investments	-
Accounts receivable, net of allowance for doubtful accounts	486,746
Prepays	44,801
Total current assets	<u>13,763,372</u>
Noncurrent assets	
Capital assets:	
Land	947,354
Construction in process	181,804
Improvement other than buildings	30,117,385
Buildings	30,695,648
Machinery and equipment	520,429
Accumulated depreciation	<u>(21,860,957)</u>
Total capital assets, net of accumulated depreciation	<u>40,601,663</u>
Total noncurrent assets	<u>40,601,663</u>
Total assets	<u>54,365,035</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>189,052</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	
Current liabilities:	
Accounts payable	217,924
Accrued salaries and benefits	20,238
Accrued payroll taxes	(14,360)
Customer deposits payable	305,965
Compensated absences liability - current	28,486
Debt payable - current	807,174
Obligations under capital lease - current	81,890
Total current liabilities	<u>1,447,317</u>
Noncurrent liabilities	
Compensated absence liability	14,689
Net pension liability	225,072
Total OPEB liability	246,982
Debt payable	12,944,972
Obligations under capital lease	320,457
Total noncurrent liabilities	<u>13,752,172</u>
Total liabilities	<u>15,199,489</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,683</u>
NET POSITION	
Net investment in capital assets	26,448,945
Unrestricted	12,894,970
Total net position	<u>\$ 39,343,915</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER FUND

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year ended June 30, 2020

	Craven County Water Operating Fund
OPERATING REVENUES	
Charges for services	\$ 3,788,451
Miscellaneous	61,048
Total operating revenues	<u>3,849,499</u>
OPERATING EXPENSES	
Cost of services	2,394,929
Depreciation	1,681,889
Total operating expenses	<u>4,076,818</u>
Operating Income	<u>(227,319)</u>
NONOPERATING REVENUES AND EXPENSES	
Interest income	101,051
Interest expense	(12,431)
Total nonoperating	<u>88,620</u>
Income before transfers	<u>(138,699)</u>
TRANSFER IN (OUT):	
From General Fund	18,000
To General Fund	(148,000)
Total transfer in (out)	<u>(130,000)</u>
Change in net position	<u>(268,699)</u>
Net position, beginning	<u>39,612,614</u>
Net position, ending	<u><u>\$ 39,343,915</u></u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water and sewer sales	\$ 3,750,000	\$ 3,605,876	\$ (144,124)
Tap and permit fees	128,100	182,575	54,475
Miscellaneous	142,275	61,048	(81,227)
Total operating revenues	<u>4,020,375</u>	<u>3,849,499</u>	<u>(170,876)</u>
OPERATING EXPENSES			
Personnel services:			
Salaries	687,098	620,290	(66,808)
Employee benefits	265,017	215,501	(49,516)
Retirement	132,471	89,342	(43,129)
Professional services:			
Audit and accounting fees	2,200	2,110	(90)
Legal fees	-	-	-
Engineering fees	10,000	9,000	(1,000)
Contractual services	119,135	117,620	(1,515)
Operating supplies	15,929	15,133	(796)
Utilities	354,984	353,932	(1,052)
Maintenance and repairs:			
Systems	178,293	178,293	-
Building and grounds	91,614	91,550	(64)
Vehicle expense	70,939	70,464	(475)
Equipment	5,498	5,425	(73)
Sanitation	1,500	1,500	-
Hurricane expenses	4,662	4,661	(1)
Insurance	61,382	61,381	(1)
Tap outlays	82,801	82,800	(1)
Telephone and postage	21,734	21,107	(627)
Lockbox	106,260	106,259	(1)
Chemical and lab work	135,494	135,272	(222)
Supplies	5,875	5,871	(4)
Capital outlay	697,967	326,286	(371,681)
Bad debt Expenses	25,000	25,000	-
Miscellaneous	10,170	7,970	(2,200)
Total operating expenses	<u>3,086,023</u>	<u>2,546,767</u>	<u>(539,256)</u>
Excess of operating revenues over operating expenditures	<u>934,352</u>	<u>1,302,732</u>	<u>368,380</u>
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	100,000	101,051	1,051
Interest paid	(15,287)	(12,431)	2,856
Principal payments	(889,065)	(889,064)	1
Total nonoperating revenues (expenditures)	<u>(804,352)</u>	<u>(800,444)</u>	<u>3,908</u>
Excess of revenues over expenditures	<u>130,000</u>	<u>502,288</u>	<u>372,288</u>
OTHER FINANCING SOURCES (USES)			
Transfer in (out):			
From General Fund	18,000	18,000	-
To General Fund	(148,000)	(148,000)	-
Total other financing sources (uses)	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 372,288</u>	<u>\$ 372,288</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Fiscal Year ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Reconciliation of modified accrual basis with full accrual basis:			
Excess of revenues over (under) expenditures and other financing sources (uses), modified accrual basis, above		\$ 372,288	
Capital outlay		274,798	
Debt principal payments		889,064	
Depreciation		(1,681,889)	
Increase (decrease) in deferred outflows of resources - pensions		(16,573)	
Increase (decrease) in deferred outflows of resources - OPEB		29,238	
(Increase) decrease in compensated absences		(43,175)	
(Increase) decrease in total OPEB liability		(67,143)	
(Increase) decrease in net pension liability		(25,803)	
(Increase) decrease in deferred inflows of resources - pensions		-	
(Increase) decrease in deferred inflows of resources - OPEB		496	
		<u> </u>	
Change in net position, full accrual basis		<u><u>\$ (268,699)</u></u>	
Fund 600		(360,106)	
Fund 605		80,469	
Net Income per Trial Balance		<u><u>(279,637)</u></u>	

CRAVEN COUNTY, NORTH CAROLINA
BLENDED COMPONENT UNIT, NORTHWEST CRAVEN WATER AND SEWER DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	\$ -	\$ -	\$ -
Interest paid	(15,287)	(12,431)	2,856
Principal payments	<u>(80,115)</u>	<u>(80,114)</u>	<u>1</u>
Total nonoperating revenues (expenditures)	<u>(95,402)</u>	<u>(92,545)</u>	<u>2,857</u>
 OTHER FINANCING SOURCES (USES)			
Direct financing lease proceeds	<u>95,402</u>	<u>92,900</u>	<u>2,502</u>
 Excess of revenues and other financing sources over (under) expenditures	 <u>\$ -</u>	 <u>\$ 355</u>	 <u>\$ 355</u>
 Reconciliation of modified accrual basis with full accrual basis:			
Excess of revenues and other financing sources over (under) expenditures, modified accrual basis, above		\$ 355	
Reduction of investment in direct financing lease receivable		<u>80,114</u>	
Net position, full accrual basis		<u>\$ 80,469</u>	

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

Internal Service Fund - This fund is used to finance and account for the County's health and dental insurance and workers' compensation information.

CRAVEN COUNTY, NORTH CAROLINA
INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS

For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 6,305,300	\$ 6,648,329	\$ 343,029
Miscellaneous	-	197,202	197,202
Total operating revenues	<u>6,305,300</u>	<u>6,845,531</u>	<u>540,231</u>
OPERATING EXPENDITURES			
Claims reimbursement	6,305,300	5,991,937	313,363
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total operating expenditures	<u>6,355,300</u>	<u>5,991,937</u>	<u>363,363</u>
Excess of operating revenues over (under) operating expenditures	<u>(50,000)</u>	<u>853,594</u>	<u>903,594</u>
NONOPERATING REVENUES			
Interest Income	<u>-</u>	<u>657</u>	<u>657</u>
Excess of operating revenues and nonoperating revenue over operating expenditures	<u>(50,000)</u>	<u>854,251</u>	<u>904,251</u>
OTHER FINANCING SOURCES (USES)			
Transfer out:			
From General Fund	<u>50,000</u>	<u>29,223</u>	<u>(20,777)</u>
Total other financing uses	<u>50,000</u>	<u>29,223</u>	<u>(20,777)</u>
Excess of revenues under expenditures	<u>\$ -</u>	<u>\$ 883,474</u>	<u>\$ 883,474</u>

AGENCY FUNDS

Agency Funds serve primarily as clearing mechanisms for cash resources which are collected by a governmental unit, held as such for a brief period, and then distributed to authorized recipients.

The following comprise the County's Agency Funds:

Social Services Trust Fund - The Social Services Trust Fund is for funds received by the County by court order on behalf of citizens who are unable to expend for themselves.

Deed of Trust Fund - The Deed of Trust Fund accounts for the five dollars of each fee collected by the register for deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Municipal Property Tax Fund - The Municipal Property Tax Fund accounts for registered motor vehicle and real property taxes that are billed and collected by the County for various municipalities within the County.

Agency funds are accounted for on a cash receipts and disbursements basis.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
ALL AGENCY FUNDS
June 30, 2020

	Social Services Trust Fund
ASSETS	
Cash and cash equivalents	<u>\$ 116,403</u>
LIABILITIES	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 116,403</u>

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Fiscal Year ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Social Services Trust Fund:				
Assets, cash and investments	<u>\$ 75,198</u>	<u>\$ 41,205</u>	<u>\$ -</u>	<u>\$ 116,403</u>
Liabilities, accounts payable and accrued liabilities	<u>\$ 75,198</u>	<u>\$ 41,205</u>	<u>\$ -</u>	<u>\$ 116,403</u>
Deed of Trust Fund:				
Assets, cash and investments	<u>\$ -</u>	<u>\$ 74,276</u>	<u>\$ 74,276</u>	<u>\$ -</u>
Liabilities, accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 74,276</u>	<u>\$ 74,276</u>	<u>\$ -</u>
Municipal Property Tax Fund:				
Assets, cash and investments	<u>\$ -</u>	<u>\$ 20,863,295</u>	<u>\$ 20,863,295</u>	<u>\$ -</u>
Liabilities, accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 20,863,295</u>	<u>\$ 20,863,295</u>	<u>\$ -</u>
Totals - All Agency Funds:				
Assets, cash and investments	<u>\$ 75,198</u>	<u>\$ 20,978,776</u>	<u>\$ 20,937,571</u>	<u>\$ 116,403</u>
Liabilities, accounts payable and accrued liabilities	<u>\$ 75,198</u>	<u>\$ 20,978,776</u>	<u>\$ 20,937,571</u>	<u>\$ 116,403</u>

OTHER SUPPLEMENTARY INFORMATION

Other financial information includes additional detailed analysis of particular aspects of the County's financial position and results of operations.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
For the Fiscal Year ended June 30, 2020

Fiscal Year Ended June 30,	Uncollected Balance June 30, 2019	Additions	Collections Credits and Adjustments	Uncollected Balance June 30, 2020
2020	\$ -	\$ 52,770,883	\$ 52,162,736	\$ 608,147
2019	351,847	-	168,960	182,887
2018	145,516	-	52,697	92,819
2017	95,236	-	12,705	82,531
2016	69,690	-	8,853	60,837
2015	56,634	-	3,218	53,416
2014	109,464	-	4,051	105,413
2013	136,321	-	4,070	132,251
2012	119,697	-	3,196	116,501
2011	88,421	-	1,841	86,580
2010	88,468	-	88,468	-
	<u>\$ 1,261,294</u>	<u>\$ 52,770,883</u>	<u>\$ 52,510,795</u>	<u>\$ 1,521,382</u>

Less allowance for uncollectible
ad valorem taxes receivable

700,000
\$ 821,382

Reconcilement with revenues:
Ad valorem taxes - General Fund

\$ 52,612,946

Less: Interest collected
Less: Collection of taxes older than ten years
Plus: Abatements and adjustments of prior
year taxes
Total collections and credits

(196,988)
(6,862)

101,699
\$ 52,510,795

CRAVEN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
For the Fiscal Year ended June 30, 2020

				Total Levy	
				Property excluding Motor Vehicles	Registered Motor Vehicles
County-wide					
	Property Valuation	Rate	Amount of Levy		
ORIGINAL LEVY:					
Property taxed at current year's rate	\$9,292,909,966	\$ 0.5494	\$ 51,055,251	\$ 46,897,602	\$ 4,157,649
Motor vehicles taxed at prior year's rate	247,554,601	0.5394	1,335,309	-	1,335,309
Penalties			108,559	108,559	-
	<u>\$9,540,464,567</u>		<u>\$ 52,499,119</u>	<u>\$ 47,006,161</u>	<u>\$ 5,492,958</u>
DISCOVERIES	77,492,912		404,684	404,684	-
	<u>\$9,617,957,479</u>		<u>\$ 52,903,803</u>	<u>\$ 47,410,845</u>	<u>\$ 5,492,958</u>
ABATEMENTS	(21,217,447)		(132,920)	(132,920)	-
Total property valuation	<u><u>\$9,596,740,032</u></u>				
Net Levy			\$ 52,770,883	\$ 47,277,925	\$ 5,492,958
Uncollected taxes at June 30, 2020			<u>608,147</u>	<u>608,147</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 52,162,736</u></u>	<u><u>\$ 46,669,778</u></u>	<u><u>\$ 5,492,958</u></u>
Current levy collection percentage			<u><u>98.85%</u></u>	<u><u>98.71%</u></u>	<u><u>100.00%</u></u>

**SUPPLEMENTARY INFORMATION -
DISCRETELY PRESENTED COMPONENT UNITS
WITHOUT SEPERATLY ISSUED FINANCIAL STATEMENTS**

The following is a discetely presented component unit, which is presented as if it were a special revenue fund:

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

The following is a discetely presented component unit, which is presented as if it were a proprietary fund:

- **Craven County Regional Airport Authority** - The Regional Airport Authority is used to account for the operations and capital project activity of the Regional Airport Authority.

CRAVEN COUNTY, NORTH CAROLINA
TOURISM DEVELOPMENT AUTHORITY FUND (A Component Unit)

DETAILED STATEMENT OF NET POSITION
June 30, 2020

ASSETS

Cash and cash equivalents	\$ 465,048
Accounts receivable	<u>27,769</u>
	<u>492,817</u>

LIABILITIES

Accounts payable	<u>951</u>
	<u>951</u>

Net position:

Unrestricted	
accrued liabilities	<u><u>\$ 491,866</u></u>

CRAVEN COUNTY, NORTH CAROLINA
TOURISM DEVELOPMENT AUTHORITY FUND (A Component Unit)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 587,000	\$ 556,707	\$ (30,293)
Interest	-	-	-
Miscellaneous	-	1,360	1,360
Total revenues	<u>587,000</u>	<u>558,067</u>	<u>(28,933)</u>
EXPENDITURES			
Economic development	<u>634,795</u>	<u>469,377</u>	<u>(165,418)</u>
Revenues over expenditures	<u>\$ (47,795)</u>	88,690	<u>\$ (165,418)</u>
NET POSITION			
Beginning		<u>403,176</u>	
Ending		<u>\$ 491,866</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)

COMBINING STATEMENT OF NET POSITION
June 30, 2020

	Airport Authority Operating Fund	Airport Improvement Program No. 39 Project Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Reserve Fund	Totals
ASSETS											
Cash and cash equivalents	\$ 4,457,374	\$ -	\$ 12,045	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 75,761	\$ 628,985	\$ 5,189,165
Restricted Cash	-	-	-	-	-	381,847	-	-	-	-	381,847
Accounts receivable	30,892	-	-	-	15,418	82	3,526	37,706	-	-	87,624
Due from other governments	835,293	-	-	-	-	-	-	-	-	-	835,293
Due from other funds	42,000	-	-	-	-	-	-	-	-	-	42,000
Total current assets	<u>5,365,559</u>	<u>-</u>	<u>12,045</u>	<u>-</u>	<u>15,418</u>	<u>381,929</u>	<u>18,526</u>	<u>37,706</u>	<u>75,761</u>	<u>628,985</u>	<u>6,535,929</u>
Capital assets:											
Land	9,649,508	-	-	-	-	-	-	-	-	-	9,649,508
Buildings	9,450,092	-	-	-	-	-	-	-	-	-	9,450,092
Improvements other than buildings	33,227,019	-	-	-	-	-	-	-	-	-	33,227,019
Machinery and Equipment	2,282,188	-	-	-	-	-	-	-	-	-	2,282,188
Construction in progress	1,043,391	-	291,572	249,087	2,977,970	110,554	300,000	5,459,235	696,659	-	11,128,468
Accumulated depreciation	(22,004,520)	-	-	-	-	-	-	-	-	-	(22,004,520)
Capital assets, net of accumulated depreciation	<u>33,647,678</u>	<u>-</u>	<u>291,572</u>	<u>249,087</u>	<u>2,977,970</u>	<u>110,554</u>	<u>300,000</u>	<u>5,459,235</u>	<u>696,659</u>	<u>-</u>	<u>43,732,755</u>
Total assets	<u>39,013,237</u>	<u>-</u>	<u>303,617</u>	<u>249,087</u>	<u>2,993,388</u>	<u>492,483</u>	<u>318,526</u>	<u>5,496,941</u>	<u>772,420</u>	<u>628,985</u>	<u>50,268,684</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>161,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,869</u>
LIABILITIES											
Accounts payable	345,442	-	-	-	-	-	-	-	-	-	345,442
Accrued salaries and benefits	32,869	-	-	-	-	-	-	-	-	-	32,869
Due to other funds	-	-	-	-	15,956	-	18,526	7,518	-	-	42,000
Net pension liability	146,924	-	-	-	-	-	-	-	-	-	146,924
Total OPEB liability	259,070	-	-	-	-	-	-	-	-	-	259,070
Total liabilities	<u>784,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,956</u>	<u>-</u>	<u>18,526</u>	<u>7,518</u>	<u>-</u>	<u>-</u>	<u>826,305</u>
DEFERRED INFLOWS OF RESOURCES	<u>12,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,539</u>
NET POSITION											
Net investments in capital assets	33,647,678	-	291,572	249,087	2,977,970	110,554	300,000	5,459,235	696,659	-	43,732,755
Unrestricted	4,730,584	-	12,045	-	(538)	381,929	-	30,188	75,761	628,985	5,858,954
Total net position	<u>38,378,262</u>	<u>-</u>	<u>303,617</u>	<u>249,087</u>	<u>2,977,432</u>	<u>492,483</u>	<u>300,000</u>	<u>5,489,423</u>	<u>772,420</u>	<u>628,985</u>	<u>49,591,709</u>
Total liabilities and net position	<u>\$ 39,162,567</u>	<u>\$ -</u>	<u>\$ 303,617</u>	<u>\$ 249,087</u>	<u>\$ 2,993,388</u>	<u>\$ 492,483</u>	<u>\$ 318,526</u>	<u>\$ 5,496,941</u>	<u>\$ 772,420</u>	<u>\$ 628,985</u>	<u>\$ 50,418,014</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2020

	Airport Authority Operating Fund	Airport Improvement Program No. 39 Project Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Airport Improvement Program No. 43 Project Fund	Airport Reserve Fund	Totals
OPERATING REVENUES											
Charges for services	\$ 2,076,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,076,217
Passenger facility fee	375,322	-	-	-	-	-	-	-	-	-	375,322
Miscellaneous	4,908	-	-	-	-	-	-	-	-	-	4,908
Total operating revenues	<u>2,456,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,456,447</u>
OPERATING EXPENDITURES											
Cost of sales and services	2,027,948	-	-	-	-	-	-	-	-	-	2,027,948
Depreciation and amortization	1,233,061	-	-	-	-	-	-	-	-	-	1,233,061
Total operating expenditures	<u>3,261,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,261,009</u>
Operating Income (Loss)	<u>(804,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(804,562)</u>
NONOPERATING REVENUES (EXPENSES)											
Interest Income	852	-	-	-	-	-	-	-	-	130	982
Project reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>982</u>
Income (Loss) before transfers	<u>(803,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>	<u>(803,580)</u>
Transfers in (out) Airport Funds	1,064,734	(1,215,619)	-	-	-	-	-	-	150,885	-	-
Capital contributions - federal and state grants	1,544,514	27,323	195,908	-	299,309	-	-	4,385	621,535	-	2,692,974
Change in net position	<u>1,805,538</u>	<u>(1,188,296)</u>	<u>195,908</u>	<u>-</u>	<u>299,309</u>	<u>-</u>	<u>-</u>	<u>4,385</u>	<u>772,420</u>	<u>130</u>	<u>1,889,394</u>
Net position, beginning	<u>36,572,724</u>	<u>1,188,296</u>	<u>107,709</u>	<u>249,087</u>	<u>2,678,123</u>	<u>492,483</u>	<u>300,000</u>	<u>5,485,038</u>	<u>-</u>	<u>628,855</u>	<u>47,702,315</u>
Net position, ending	<u>\$ 38,378,262</u>	<u>\$ -</u>	<u>\$ 303,617</u>	<u>\$ 249,087</u>	<u>\$ 2,977,432</u>	<u>\$ 492,483</u>	<u>\$ 300,000</u>	<u>\$ 5,489,423</u>	<u>\$ 772,420</u>	<u>\$ 628,985</u>	<u>\$ 49,591,709</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)

COMBINING SCHEDULE OF CASH FLOWS
For the Fiscal Year ended June 30, 2020

	Airport Authority Operating Fund	Airport Improvement Program No. 39 Project Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Reserve Fund	Totals
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES											
Receipts for customers and users	\$ 2,170,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,170,656
Receipts from passenger facility fees	375,322	-	-	-	-	-	-	-	-	-	375,322
Miscellaneous receipts	4,908	-	-	-	-	-	-	-	-	-	4,908
Payments to suppliers	(572,890)	-	-	-	-	-	-	-	-	-	(572,890)
Payments to employees	(1,153,638)	-	-	-	-	-	-	-	-	-	(1,153,638)
Net cash provided by (used in) operating activities	824,358	-	-	-	-	-	-	-	-	-	824,358
CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES											
Acquisition & construction of capital assets	(652,767)	(30,359)	(270,069)	-	(328,822)	(110,554)	(25)	(9,357)	(696,659)	-	(2,098,612)
Receipts from capital grants	869,496	27,323	260,926	-	993,994	(1)	168,141	12,016	621,535	-	2,953,430
Project reimbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	216,729	(3,036)	(9,143)	-	665,172	(110,555)	168,116	2,659	(75,124)	-	-
CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES											
Transfers in	323,229	(1,479)	-	-	-	-	-	-	150,885	-	472,635
Transfers out	(472,635)	-	-	-	-	-	-	-	-	-	(472,635)
Due to (from) other funds	820,947	-	-	-	(665,172)	-	(153,116)	(2,659)	-	-	-
Net cash provided by (used in) noncapital financing activities	671,541	(1,479)	-	-	(665,172)	-	(153,116)	(2,659)	150,885	-	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Interest on cash and investments	852	-	-	-	-	-	-	-	-	130	982
Net cash provided by investing activities	852	-	-	-	-	-	-	-	-	130	982
Net increase (decrease) in cash and cash equivalents	1,713,480	(4,515)	(9,143)	-	-	(110,555)	15,000	-	75,761	130	1,680,158
CASH AND CASH EQUIVALENTS											
Beginning	2,743,894	4,515	21,188	-	-	492,402	-	-	-	628,855	3,890,854
Ending	\$ 4,457,374	\$ -	\$ 12,045	\$ -	\$ -	\$ 381,847	\$ 15,000	\$ -	\$ 75,761	\$ 628,985	\$ 5,571,012

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)

COMBINING SCHEDULE OF CASH FLOWS
For the Fiscal Year ended June 30, 2020

	Airport Authority Operating Fund	Airport Improvement Program No. 39 Project Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Reserve Fund	Totals
Reconciliation of operating loss to net cash provided by (used in) operating activities:											
Operating loss	\$ (804,562)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (804,562)
Adjustments to reconcile operating loss to net cash provided by operating activities:											
Depreciation and amortization	1,233,061	-	-	-	-	-	-	-	-	-	1,233,061
Change in assets, liabilities, and deferred inflows and outflows:											
(Increase) decrease in accounts receivable	94,439	-	-	-	-	-	-	-	-	-	94,439
(Increase) decrease in deferred outflows of resources - pension	20,985	-	-	-	-	-	-	-	-	-	20,985
(Increase) decrease in deferred outflows of resources - OPEB	(30,664)	-	-	-	-	-	-	-	-	-	(30,664)
Increase (decrease) in accounts payable	287,394	-	-	-	-	-	-	-	-	-	287,394
Increase (decrease) in accrued payroll	(50,136)	-	-	-	-	-	-	-	-	-	(50,136)
Increase (decrease) in net pension liability	3,397	-	-	-	-	-	-	-	-	-	3,397
Increase (decrease) in total OPEB liability	70,377	-	-	-	-	-	-	-	-	-	70,377
Increase (decrease) in deferred inflows of resources - pension	590	-	-	-	-	-	-	-	-	-	590
Increase (decrease) in deferred inflows of resources - OPEB	(523)	-	-	-	-	-	-	-	-	-	(523)
Net cash provided by (used in) operating activities	<u>\$ 824,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 824,358</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
OPERATING FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 1,932,652	\$ 2,076,217	\$ 143,565
Passenger facility fee	448,261	375,322	(72,939)
Miscellaneous	12,000	4,908	(7,092)
Total operating revenues	<u>2,392,913</u>	<u>2,456,447</u>	<u>63,534</u>
OPERATING EXPENDITURES			
Personnel Services:			
Salaries	1,048,645	890,693	157,952
Employee benefits	228,075	154,473	73,602
Retirement	96,552	67,862	28,690
Professional Services:			
Audit and accounting fees	19,245	19,243	2
Legal fees	45,063	45,000	63
Contractual services	228,053	203,125	24,928
Operating supplies	43,000	39,383	3,617
Utilities	176,000	141,929	34,071
Maintenance and repairs:			
Buildings and grounds	76,500	60,142	16,358
Vehicle expense	17,000	7,011	9,989
Insurance	125,000	120,255	4,745
Telephone and postage	12,400	11,984	416
Capital outlay	152,068	705,712	(553,644)
Sanitation - Hurricane Florence	301	301	-
Miscellaneous	75,458	57,678	17,780
Travel/Training	16,500	11,590	4,910
Advertising	82,500	70,299	12,201
Dues and subscriptions	19,404	19,399	5
Total operating expenditures	<u>2,461,764</u>	<u>2,626,079</u>	<u>(164,315)</u>
Excess of operating revenues over (under) operating expenditures	<u>(68,851)</u>	<u>(169,632)</u>	<u>(100,781)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	6,769	852	(5,917)
Project reimbursement			
Capital contributions - intergovernmental grants	99,000	1,544,514	1,445,514
Total nonoperating revenues (expenses)	<u>105,769</u>	<u>1,545,366</u>	<u>1,439,597</u>
Excess of revenues over expenditures	<u>36,918</u>	<u>1,375,734</u>	<u>1,338,816</u>
OTHE FINANCING SOURCES (USES)			
Transfers in (out):			
From airport project funds	429,000	323,229	(105,771)
To airport project funds	(160,885)	(472,635)	(311,750)
Total airport project funds	<u>268,115</u>	<u>(149,406)</u>	<u>(417,521)</u>
Excess revenues over expenditures and other financing sources (uses)	<u>\$ 305,033</u>	<u>\$ 1,226,328</u>	<u>\$ 921,295</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
OPERATING FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Fiscal Year ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Reconciliation of modified accrual basis with full accrual basis:			
Excess revenues over expenditures and other financing sources, modified accrual basis, above		\$ 1,226,328	
Capital outlay		652,767	
Depreciation		(1,233,061)	
Increase (decrease) in deferred outflows of resources - pensions		(20,985)	
Increase (decrease) in deferred outflows of resources - OPEB		30,664	
(Increase) decrease in compensated absences		9,526	
(Increase) decrease in total OPEB liability		(70,377)	
(Increase) decrease in net pension liability		(3,397)	
(Increase) decrease in deferred inflows of resources - pensions		(590)	
(Increase) decrease in deferred inflows of resources - OPEB		523	
Transfer of asset from project fund to operating fund		1,214,140	
Change in net position, full accrual basis		<u>\$ 1,805,538</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRFIELD IMPROVEMENTS SITE NO. 39 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal grants	\$ 1,092,725	\$ 1,065,403	\$ 27,323	\$ 1,092,726
Contractor sale tax refund	624	-	-	-
Total revenues	<u>1,092,725</u>	<u>1,065,403</u>	<u>27,323</u>	<u>1,092,726</u>
EXPENDITURES				
Capital outlay:				
Administrative	883,251	378	30,359	30,737
Construction	<u>331,513</u>	<u>1,183,403</u>	<u>-</u>	<u>1,183,403</u>
Total expenditures	<u>1,214,764</u>	<u>1,183,781</u>	<u>30,359</u>	<u>1,214,140</u>
Excess of revenues over (under) expenditures	<u>(122,039)</u>	<u>(118,378)</u>	<u>(3,036)</u>	<u>(121,414)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	<u>122,893</u>	<u>122,893</u>	<u>(1,479)</u>	<u>121,414</u>
Total other financing sources (uses)	<u>122,893</u>	<u>122,893</u>	<u>(1,479)</u>	<u>121,414</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ 854</u>	<u>\$ 4,515</u>	<u>\$ (4,515)</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (4,515)	
Capital outlay			30,359	
Transfer project to operating fund			<u>(1,214,140)</u>	
Change in net position, full accrual basis			<u>\$ (1,188,296)</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 40 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal grants	\$ 363,969	\$ 67,268	\$ 195,908	\$ 263,176
Total revenues	<u>363,969</u>	<u>67,268</u>	<u>195,908</u>	<u>263,176</u>
EXPENDITURES				
Capital outlay:				
Administrative	404,410	74,742	216,830	291,572
Total expenditures	<u>404,410</u>	<u>74,742</u>	<u>216,830</u>	<u>291,572</u>
Excess of revenues over (under) expenditures	<u>(40,441)</u>	<u>(7,474)</u>	<u>(20,922)</u>	<u>(28,396)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	40,441	40,441	-	40,441
Total other financing sources (uses)	<u>40,441</u>	<u>40,441</u>	<u>-</u>	<u>40,441</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 32,967</u>	<u>\$ (20,922)</u>	<u>\$ 12,045</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (20,922)	
Capital outlay			<u>216,830</u>	
Change in net position, full accrual basis			<u>\$ 195,908</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 41 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal grants	\$ 2,241,781	\$ 21,611	\$ -	\$ 21,611
Total revenues	<u>2,241,781</u>	<u>21,611</u>	<u>-</u>	<u>21,611</u>
EXPENDITURES				
Capital outlay:				
Administrative	268,051	447	-	447
Construction	<u>2,222,817</u>	<u>241,194</u>	<u>-</u>	<u>241,194</u>
Total expenditures	<u>2,490,868</u>	<u>241,641</u>	<u>-</u>	<u>241,641</u>
Excess of revenues over (under) expenditures	<u>(249,087)</u>	<u>(220,030)</u>	<u>-</u>	<u>(220,030)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	256,533	220,030	-	220,030
To Airport Operating Fund	<u>(7,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>249,087</u>	<u>220,030</u>	<u>-</u>	<u>220,030</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
RUNWAY PAVEMENT REHABILITATION CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
State grants	\$ 3,000,000	\$ 2,678,123	\$ 299,309	\$ 2,977,432
Total revenues	<u>3,000,000</u>	<u>2,678,123</u>	<u>299,309</u>	<u>2,977,432</u>
EXPENDITURES				
Capital outlay:				
Administrative	4,600	3,600	-	3,600
Construction	<u>2,995,400</u>	<u>2,674,522</u>	<u>299,848</u>	<u>2,974,370</u>
Total expenditures	<u>3,000,000</u>	<u>2,678,122</u>	<u>299,848</u>	<u>2,977,970</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1</u>	<u>(539)</u>	<u>(538)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
To Airport Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (539)</u>	<u>\$ (538)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (539)	
Capital outlay			<u>299,848</u>	
Change in net position, full accrual basis			<u>\$ 299,309</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRFIELD IMPROVEMENTS FY 19 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
State Grants	\$ 653,162	\$ 653,162	\$ -	\$ 653,162
Total revenues	<u>653,162</u>	<u>653,162</u>	<u>-</u>	<u>653,162</u>
EXPENDITURES				
Capital outlay:				
Construction	653,162	-	110,554	110,554
Total expenditures	<u>653,162</u>	<u>-</u>	<u>110,554</u>	<u>110,554</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>653,162</u>	<u>(110,554)</u>	<u>542,608</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund			-	-
To Airport Operating Fund		(160,679)	-	(160,679)
Total other financing sources (uses)	<u>-</u>	<u>(160,679)</u>	<u>-</u>	<u>(160,679)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 492,483</u>	<u>\$ (110,554)</u>	<u>\$ 381,929</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (110,554)	
Capital outlay			<u>110,554</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRFIELD IMPROVEMENTS STIP CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
State Grants	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
EXPENDITURES				
Capital outlay:				
Construction	300,000	300,000	-	300,000
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 42 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 5,185,000	\$ 4,908,927	\$ 4,385	\$ 4,913,312
Total revenues	<u>5,185,000</u>	<u>4,908,927</u>	<u>4,385</u>	<u>4,913,312</u>
EXPENDITURES				
Capital outlay:				
Administrative	5,280	4,353	4,872	9,225
Construction	5,720,010	5,416,808	-	5,416,808
Land	35,821	33,202	-	33,202
Total expenditures	<u>5,761,111</u>	<u>5,454,363</u>	<u>4,872</u>	<u>5,459,235</u>
Excess of revenues over (under) expenditures	<u>(576,111)</u>	<u>(545,436)</u>	<u>(487)</u>	<u>(545,923)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	576,111	576,111	-	576,111
Total other financing sources (uses)	<u>576,111</u>	<u>576,111</u>	<u>-</u>	<u>576,111</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 30,675</u>	<u>\$ (487)</u>	<u>\$ 30,188</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ (487)	
Capital Outlay			<u>4,872</u>	
Change in net position, full accrual basis			<u>\$ 4,385</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 43 CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 1,357,964	\$ -	\$ 621,535	\$ 621,535
Total revenues	<u>1,357,964</u>	<u>-</u>	<u>621,535</u>	<u>621,535</u>
EXPENDITURES				
Capital outlay:				
Construction / Architect / Engineer	<u>1,508,849</u>	<u>-</u>	<u>696,659</u>	<u>696,659</u>
Total expenditures	<u>1,508,849</u>	<u>-</u>	<u>696,659</u>	<u>696,659</u>
Excess of revenues over (under) expenditures	<u>(150,885)</u>	<u>-</u>	<u>(75,124)</u>	<u>(75,124)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	<u>150,885</u>	<u>-</u>	<u>150,885</u>	<u>150,885</u>
Total other financing sources (uses)	<u>150,885</u>	<u>-</u>	<u>150,885</u>	<u>150,885</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,761</u>	<u>\$ 75,761</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 75,761	
Capital Outlay			<u>696,659</u>	
Change in net position, full accrual basis			<u>\$ 772,420</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRPORT RESERVE FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year ended June 30, 2020

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 43,941	\$ 130	\$ 44,071
Total revenues	-	43,941	130	44,071
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	-	(633,287)	-	(633,287)
From Airport Operating Fund	-	1,218,201	-	1,218,201
Total other financing sources (uses)	-	584,914	-	584,914
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ 628,855	\$ 130	\$ 628,985
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 130	
Change in net position, full accrual basis			\$ 130	

STATISTICAL SECTION (Unaudited)

This part of the County of Craven's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

Schedules one through four contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

Schedules five through eight contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity

Schedules nine through eleven present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

Schedules twelve and thirteen offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

Schedules fourteen through sixteen contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Schedule 1
Craven County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Governmental activities</u>										
Net investment in capital assets	\$ 37,674,722	\$ 37,057,382	\$ 38,519,516	\$ 40,967,813	\$ 40,687,026	\$ 41,106,523	\$ 42,035,851	\$ 44,781,813	\$ 47,005,992	\$ 48,698,804
Restricted	8,300,518	9,058,929	9,316,938	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861
Unrestricted (deficit)	(14,757,288)	(13,148,958)	(11,378,791)	(8,377,381)	(4,408,502)	(1,596,184)	5,346,096	1,530,331	3,642,078	1,260,991
Total governmental activities net position	<u>\$ 31,217,952</u>	<u>\$ 32,967,353</u>	<u>\$ 36,457,663</u>	<u>\$ 41,894,137</u>	<u>\$ 45,982,686</u>	<u>\$ 51,796,771</u>	<u>\$ 58,498,856</u>	<u>\$ 57,108,718</u>	<u>\$ 66,096,778</u>	<u>\$ 75,094,656</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 17,797,133	\$ 17,751,235	\$ 18,944,146	\$ 16,063,577	\$ 21,306,317	\$ 26,133,140	\$ 27,475,458	\$ 27,637,466	\$ 26,919,877	\$ 26,448,945
Unrestricted	13,198,583	14,546,045	14,736,630	18,968,230	15,100,037	11,950,188	11,911,171	12,101,314	12,692,737	12,894,970
Total business-type activities net position	<u>\$ 30,995,716</u>	<u>\$ 32,297,280</u>	<u>\$ 33,680,776</u>	<u>\$ 35,031,807</u>	<u>\$ 36,406,354</u>	<u>\$ 38,083,328</u>	<u>\$ 39,386,629</u>	<u>\$ 39,738,780</u>	<u>\$ 39,612,614</u>	<u>\$ 39,343,915</u>
<u>Primary government</u>										
Net investment in capital assets	\$ 55,471,855	\$ 54,808,617	\$ 57,463,662	\$ 57,031,390	\$ 61,993,343	\$ 67,239,663	\$ 69,511,309	\$ 72,419,279	\$ 73,925,869	\$ 75,147,749
Restricted	8,300,518	9,058,929	9,316,938	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861
Unrestricted (deficit)	(1,558,705)	1,397,087	3,357,839	10,590,849	10,691,535	10,354,004	17,257,267	13,631,645	16,334,815	14,155,961
Total primary government net position	<u>\$ 62,213,668</u>	<u>\$ 65,264,633</u>	<u>\$ 70,138,439</u>	<u>\$ 76,925,944</u>	<u>\$ 82,389,040</u>	<u>\$ 89,880,099</u>	<u>\$ 97,885,485</u>	<u>\$ 96,847,498</u>	<u>\$ 105,709,392</u>	<u>\$ 114,438,571</u>

Schedule 2
Craven County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013 (as reclassified)	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 8,577,883	\$ 10,295,084	\$ 10,453,419	\$ 9,529,776	\$ 9,219,322	\$ 10,291,366	\$ 9,925,453	\$ 11,077,893	\$ 17,072,762	\$ 13,026,648
Public safety	16,218,231	16,897,985	16,970,296	18,273,896	18,505,550	19,458,091	20,980,588	21,947,336	23,323,223	23,546,188
Social services	23,268,931	23,091,103	22,566,592	22,078,158	21,913,659	22,231,898	22,760,861	19,157,572	21,170,095	19,946,669
Economic and physical development	3,820,355	3,372,531	2,818,906	3,244,680	4,035,005	4,349,446	4,389,590	2,958,118	3,786,002	4,150,209
Environmental protection	5,234,597	5,044,117	4,949,064	5,200,967	5,121,002	4,998,475	4,608,929	4,950,380	6,370,235	8,048,976
Health	8,467,181	8,391,523	8,883,418	8,495,912	7,784,851	8,338,343	8,626,160	9,404,146	10,508,893	10,605,442
Cultural and recreation	2,357,440	2,287,587	2,334,287	2,435,885	2,289,270	2,403,064	2,535,497	2,675,892	3,346,603	2,871,967
Education	22,244,200	23,781,177	23,743,790	23,691,968	24,559,787	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621
Interest on long term debt	3,772,400	3,488,561	2,739,303	2,617,304	2,360,526	2,105,628	1,803,760	1,550,637	1,152,829	1,347,956
Total governmental activities	93,961,218	96,649,668	95,459,075	95,568,546	95,788,972	100,285,021	102,636,478	100,740,812	113,897,632	112,115,676
Business-type activities:										
Water	2,533,584	2,504,781	2,428,976	2,559,429	2,510,634	2,489,876	2,667,016	3,338,714	4,090,859	4,089,249
Total primary government expenses	\$ 96,494,802	\$ 99,154,449	\$ 97,888,051	\$ 98,127,975	\$ 98,299,606	\$ 102,774,897	\$ 105,303,494	\$ 104,079,526	\$ 117,988,491	\$ 116,204,925
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 1,470,684	\$ 1,633,609	\$ 2,056,024	\$ 2,194,205	\$ 3,493,235	\$ 3,170,663	\$ 4,141,074	\$ 3,836,181	\$ 3,139,033	\$ 1,380,174
Public safety	1,998,438	2,250,857	2,728,253	2,584,019	2,947,087	3,190,889	3,316,974	3,057,836	4,996,889	3,438,127
Social services	705,484	746,897	920,099	597,505	572,655	630,752	559,026	595,252	2,520,085	760,964
Economic and physical development	1,040,227	1,094,565	1,211,200	1,244,763	925,772	1,052,562	1,101,404	1,159,464	216,037	51,230
Environmental protection	2,462,442	2,509,331	2,470,808	2,417,794	2,428,100	2,432,969	2,405,043	2,670,966	2,956,075	3,749,983
Health	5,808,276	5,005,119	5,252,724	5,003,765	3,866,147	5,652,030	5,463,003	5,663,594	5,360,985	4,813,630
Cultural and recreation	72,418	75,810	80,782	89,512	69,062	66,145	61,401	59,372	324,505	371,788
Operating grants and contributions:										
General government	1,298,151	2,238,620	2,051,064	2,337,535	2,306,404	2,122,023	2,166,871	1,929,566	3,894,897	6,671,023
Public safety	928,821	845,729	824,904	645,226	430,833	651,546	678,254	489,762	1,762,796	1,155,417
Social services	15,687,981	15,728,496	14,979,911	14,917,957	16,040,514	15,798,488	15,324,889	11,768,753	11,973,191	12,240,723
Economic and physical development	-	32,998	34,034	-	1,453,613	1,252,208	1,346,255	630,177	66,283	657,792
Environmental protection	130,108	143,389	143,267	253,420	196,894	158,994	158,668	202,131	739,981	227,652
Health	1,821,323	1,701,749	1,704,070	1,645,752	1,556,948	2,185,702	2,378,208	2,858,004	3,896,287	4,336,161
Cultural and recreation	61,500	49,500	37,500	51,500	61,000	563,280	313,000	-	42,000	22,000
Capital grants and contributions:										
Public safety	10,696	4,472	-	-	-	-	-	-	-	-
Social services	109,337	117,377	134,820	255,086	181,004	120,012	-	138,417	154,529	154,899
Economic and physical development	950,510	580,782	452,809	204,085	-	-	-	515,000	-	-
Cultural and recreation	395,394	-	47,731	-	-	-	-	-	-	-
Education	2,136,870	1,129,230	1,010,010	1,030,840	926,810	1,083,080	842,910	944,400	981,500	1,029,300
Total governmental activities program revenue	37,088,660	35,888,530	36,140,010	35,472,964	37,456,078	40,131,343	40,256,980	36,518,875	43,025,073	41,060,863

Schedule 2
Craven County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charge for services - Water	3,652,217	3,709,076	3,733,491	3,828,806	3,809,820	3,803,643	3,936,307	3,945,311	3,849,791	3,788,451
Total business-type activities program revenue	3,652,217	3,709,076	3,733,491	3,828,806	3,809,820	3,803,643	3,936,307	3,945,311	3,849,791	3,788,451
Total primary government program revenues	<u>\$ 40,740,877</u>	<u>\$ 39,597,606</u>	<u>\$ 39,873,501</u>	<u>\$ 39,301,770</u>	<u>\$ 41,265,898</u>	<u>\$ 43,934,986</u>	<u>\$ 44,193,287</u>	<u>\$ 40,464,186</u>	<u>\$ 46,874,864</u>	<u>\$ 44,849,314</u>
Net (Expense)/Revenue										
Governmental activities	\$ (57,056,902)	\$ (60,761,138)	\$ (59,319,065)	\$ (60,095,582)	\$ (58,332,894)	\$ (60,153,678)	\$ (62,379,498)	\$ (64,221,937)	\$ (70,872,559)	\$ (71,054,813)
Business-type activities	1,118,633	1,204,295	1,304,515	1,269,377	1,299,186	1,313,767	1,269,291	606,597	(241,068)	(300,798)
Total primary government net (expense)/revenue	<u>\$ (55,938,269)</u>	<u>\$ (59,556,843)</u>	<u>\$ (58,014,550)</u>	<u>\$ (58,826,205)</u>	<u>\$ (57,033,708)</u>	<u>\$ (58,839,911)</u>	<u>\$ (61,110,207)</u>	<u>\$ (63,615,340)</u>	<u>\$ (71,113,627)</u>	<u>\$ (71,355,611)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 47,482,900	\$ 46,550,189	\$ 47,503,351	\$ 48,512,236	\$ 48,065,864	\$ 49,058,073	\$ 51,783,504	\$ 52,594,856	\$ 54,063,292	\$ 55,119,160
Local option sales tax	12,415,520	13,491,235	13,594,555	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653
Other taxes and licenses	857,817	1,003,991	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	2,817,033
Investment earnings	282,690	231,554	228,358	156,285	163,783	154,860	305,406	634,968	1,091,545	879,774
Miscellaneous	2,091,064	1,128,570	1,519,890	1,006,261	658,262	471,964	564,447	454,249	3,526,780	1,278,071
Transfers	106,200	105,000	102,620	83,240	105,000	105,000	130,000	313,222	130,000	130,000
Special item	-	-	-	1,516,317	850,000	-	-	-	-	-
Total governmental activities:	<u>63,236,191</u>	<u>62,510,539</u>	<u>63,776,328</u>	<u>65,532,056</u>	<u>65,309,363</u>	<u>65,967,763</u>	<u>69,958,168</u>	<u>71,970,088</u>	<u>79,860,619</u>	<u>80,052,691</u>
Business-type activities:										
Investment earnings	72,310	67,396	70,659	57,122	42,829	19,192	23,151	58,652	135,443	101,051
Miscellaneous	114,098	134,873	110,942	107,772	204,818	449,015	140,859	112,402	109,459	61,048
Transfers	(106,200)	(105,000)	(102,620)	(83,240)	(105,000)	(105,000)	(130,000)	(313,222)	(130,000)	(130,000)
Total business-type activities	<u>80,208</u>	<u>97,269</u>	<u>78,981</u>	<u>81,654</u>	<u>142,647</u>	<u>363,207</u>	<u>34,010</u>	<u>(142,168)</u>	<u>114,902</u>	<u>32,099</u>
Total primary government	<u>\$ 63,316,399</u>	<u>\$ 62,607,808</u>	<u>\$ 63,855,309</u>	<u>\$ 65,613,710</u>	<u>\$ 65,452,010</u>	<u>\$ 66,330,970</u>	<u>\$ 69,992,178</u>	<u>\$ 71,827,920</u>	<u>\$ 79,975,521</u>	<u>\$ 80,084,790</u>
Change in Net Position										
Governmental activities	\$ 6,179,289	\$ 1,749,401	\$ 4,457,263	\$ 5,436,474	\$ 6,976,469	\$ 5,814,085	\$ 7,578,670	\$ 7,748,151	\$ 8,988,060	\$ 8,997,878
Business-type activities	1,198,841	1,301,564	1,383,496	1,351,031	1,441,833	1,676,974	1,303,301	464,429	(126,166)	(268,699)
Total primary government	<u>\$ 7,378,130</u>	<u>\$ 3,050,965</u>	<u>\$ 5,840,759</u>	<u>\$ 6,787,505</u>	<u>\$ 8,418,302</u>	<u>\$ 7,491,059</u>	<u>\$ 8,881,971</u>	<u>\$ 8,212,580</u>	<u>\$ 8,861,894</u>	<u>\$ 8,729,179</u>

Schedule 3
Craven County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

General Fund	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,500	\$ 34,582	\$ 40,680	\$ 73,681
Restricted:										
Stabilization by state statute	4,839,673	5,621,630	6,505,313	5,866,674	6,619,013	8,690,228	7,866,740	7,681,300	9,666,695	12,415,614
Public Safety	86,034	84,542	117,324	104,005	89,738	81,761	56,262	36,076	24,585	41,029
Register of Deeds	58,208	37,222	30,700	3,030	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	416,953	-	186,332	131,509	79,872	-	-	901,396	1,416,294
Unassigned	22,190,181	23,271,321	23,440,262	25,743,810	25,565,252	24,262,888	27,936,364	29,358,798	28,668,673	25,350,019
Total General Fund	\$ 27,174,096	\$ 29,431,668	\$ 30,093,599	\$ 31,903,851	\$ 32,405,512	\$ 33,114,749	\$ 35,941,866	\$ 37,110,756	\$ 39,302,029	\$ 39,296,637
<u>All Other Governmental Funds</u>										
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	288,406	326,340	194,002	161,598	183,592	1,102,191	350,482	246,658	350,349	163,893
General Government								527,388	913,772	2,107,453
Public Safety	1,237,435	1,670,825	2,045,351	595,537	567,449	759,385	1,463,892	1,188,720	1,328,278	1,874,198
Economic and Physical Development	-	-	46,975	1,475,800	1,596,963	1,204,220	1,218,642	1,212,049	1,646,115	6,171,089
Public Schools	3,868,232	1,318,370	377,273	1,097,060	647,407	448,646	160,891	431,771	1,518,914	2,361,585
Committed:										
Capital projects	8,447,983	7,686,508	7,596,194	6,643,056	8,981,920	8,974,443	9,719,331	10,570,948	9,896,332	9,351,742
Unassigned	(141,851)	(196,990)	(19,890)	(268,169)	(145,052)	(47,561)	(136,611)	(149,490)	(240,400)	(378,722)
Total all other governmental funds	\$ 13,700,205	\$ 10,805,053	\$ 10,239,905	\$ 9,704,882	\$ 11,832,279	\$ 12,441,324	\$ 12,776,627	\$ 14,028,044	\$ 15,413,360	\$ 21,651,238

Schedule 4
Craven County
Changes in fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Revenues	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Taxes:										
Property	\$ 47,123,345	\$ 47,256,788	\$ 47,466,725	\$ 48,823,450	\$ 48,452,331	\$ 49,134,422	\$ 51,917,034	\$ 52,668,757	\$ 54,118,386	\$ 54,957,950
Sales	12,415,519	13,491,235	13,594,555	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653
Other	857,817	1,003,991	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	1,605,717
Total taxes	60,396,681	61,752,014	61,888,834	63,081,167	63,918,785	65,312,288	69,091,845	70,641,550	75,167,388	76,392,320
Intergovernmental	23,530,691	22,572,342	21,695,955	21,341,401	23,154,019	23,935,338	23,209,055	19,476,210	23,511,297	26,494,967
Charges for Services	13,774,262	13,562,444	15,072,071	14,490,392	14,617,799	16,333,950	17,181,291	17,191,527	13,495,640	15,711,402
Interest	262,321	212,830	209,474	142,116	150,404	148,453	297,665	630,042	1,117,519	879,774
Miscellaneous	2,415,734	1,535,915	1,524,801	1,432,328	1,428,429	979,965	1,009,671	934,418	3,339,425	1,278,072
Total Revenues	100,379,689	99,635,545	100,391,135	100,487,404	103,269,436	106,709,994	110,789,527	108,873,747	116,631,269	120,756,535
Expenditures										
General Government	8,580,077	9,834,924	9,423,766	9,446,475	9,948,357	10,213,411	10,435,517	12,297,021	15,831,603	14,538,888
Public Safety	15,443,304	15,375,134	16,680,517	18,056,044	17,185,318	17,892,625	19,282,826	19,927,529	21,161,542	22,268,324
Environmental Protection	5,169,741	5,005,287	4,908,080	5,121,996	5,140,583	5,079,891	5,357,128	5,473,167	6,042,356	7,655,428
Economic Development	3,596,818	3,134,830	3,059,513	2,764,612	3,612,837	3,950,990	3,849,000	3,054,020	3,499,091	12,429,224
Health	8,407,146	8,405,341	8,605,502	8,200,004	7,644,382	8,379,656	8,235,214	9,009,776	9,437,637	10,312,247
Social Services	23,293,001	23,000,499	22,457,994	22,150,591	22,355,542	22,305,810	22,309,579	19,118,866	19,023,190	19,120,635
Culture and Recreation	2,644,812	2,150,943	2,197,876	2,314,351	2,341,104	3,028,748	2,919,651	2,688,417	3,185,110	3,004,223
Education	22,244,200	23,781,177	23,743,790	23,691,968	24,559,787	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621
Debt Service:										
Principal	6,696,780	6,311,214	6,802,064	6,832,806	6,831,446	6,816,300	6,891,300	7,021,300	6,845,855	5,914,300
Interest	3,703,810	3,436,180	2,577,753	2,232,885	1,976,022	1,720,571	1,471,252	1,157,728	953,550	809,936
Bond issuance costs									36,100	
Total Expenditures	99,779,689	100,435,529	100,456,855	100,811,732	101,595,378	105,496,712	107,757,107	106,766,662	113,183,024	124,624,826
Excess of revenues over (under) expenditures	600,000	(799,984)	(65,720)	(324,328)	1,674,058	1,213,282	3,032,420	2,107,085	3,448,245	(3,868,291)
Other Financing Sources (Uses)										
Transfers in	8,592,538	6,567,143	9,278,851	8,702,882	7,619,608	6,425,300	7,855,332	9,122,508	7,503,106	10,752,856
Transfers out	(8,486,338)	(6,404,739)	(9,176,231)	(8,619,642)	(7,514,608)	(6,320,300)	(7,725,332)	(8,809,286)	(7,413,106)	(10,652,079)
Refunding bonds issued	-	-	33,950,000	-	-	-	-	-	8,335,000	-
Payment to refunding escrow agent	-	-	(33,890,117)	-	-	-	-	-	(8,296,656)	-
Proceeds from installment note/COPS	2,163,000	-	-	-	-	-	-	-	-	10,000,000
Special item	-	-	-	1,516,317	850,000	-	-	-	-	-
Total other financing sources (uses)	2,269,200	162,404	162,503	1,599,557	955,000	105,000	130,000	313,222	128,344	10,100,777
Net change in fund balances	\$ 2,869,200	\$ (637,580)	\$ 96,783	\$ 1,275,229	\$ 2,629,058	\$ 1,318,282	\$ 3,162,420	\$ 2,420,307	\$ 3,576,589	\$ 6,232,486
Debt service as a percentage of noncapital expenditures	10.62%	9.87%	9.57%	9.28%	8.84%	8.28%	7.98%	8.02%	7.11%	6.03%

Schedule 5
Craven County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)					
2011	\$ 5,721,630,715	\$ 2,133,969,998	\$ 46,058,910	\$ 113,839,891	\$ 1,425,520,814	\$ 141,105,952	\$ 9,582,126,280	0.4728	\$ 9,591,717,998
2012	5,738,196,566	2,159,760,665	46,066,910	129,376,082	1,396,207,233	143,182,465	9,612,789,921	0.4728	9,495,989,253
2013	5,808,897,357	2,163,265,740	46,726,780	134,335,862	1,443,216,223	141,607,621	9,738,049,583	0.4700	9,118,877,782
2014	5,863,934,499	2,154,674,323	46,723,660	134,530,824	1,667,107,995	138,720,822	10,005,692,123	0.4675	8,853,027,892
2015	5,902,879,610	2,162,096,295	46,574,740	139,682,484	1,522,563,337	130,349,522	9,904,145,988	0.4675	8,753,885,441
2016	5,947,385,914	2,178,573,186	46,564,923	141,917,615	1,553,771,682	155,515,544	10,023,728,864	0.4675	9,087,696,160
2017 (5)	5,206,928,087	2,030,255,403	42,342,930	131,599,087	1,638,861,659	155,227,537	9,205,214,703	0.5394	9,298,196,670
2018	5,466,479,591	1,860,735,378	43,165,400	133,196,948	1,655,323,746	162,065,213	9,320,966,276	0.5394	9,563,889,058
2019	5,327,228,030	2,108,571,090	43,578,000	133,240,033	1,761,612,228	166,348,703	9,540,578,084	0.5394	10,039,543,391
2020	5,304,353,760	2,108,733,327	45,922,900	133,783,370	1,827,117,756	176,828,919	9,596,740,032	0.5494	10,514,670,792

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place in the calendar year ending during the fiscal year. (The 2020 figure is based on property sales which took place in calendar 2019 and the sales to assessment ratio was 91.27%.)
- (5) Reassessment was performed on January 1, 2016 and was the basis for fiscal 2017 taxes. Next reassessment will occur on January 1, 2022, then in 2028.

Schedule 6
Craven County
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Craven County Direct Rate	\$ 0.4728	\$ 0.4728	\$ 0.4700	\$ 0.4675	\$ 0.4675	\$ 0.4675	\$ 0.5394	\$ 0.5394	\$ 0.5394	\$ 0.5494
<u>Municipality Rates:</u>										
Bridgeton	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Cove City	0.1500	0.1500	0.1500	0.1500	0.1500	0.2500	0.2678	0.2678	0.2700	0.2700
Dover	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3500	0.3500	0.3500	0.3500
Havelock	0.4650	0.4650	0.4650	0.4650	0.4850	0.5100	0.5900	0.5900	0.5900	0.5900
New Bern	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4600	0.4600	0.4600	0.4822
River Bend	0.2650	0.2650	0.2650	0.2650	0.2650	0.2650	0.3105	0.2900	0.2400	0.2600
Trent Woods	0.1900	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Vanceboro	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.5300	0.5300	0.5300	0.5300
<u>Fire Districts Rates:</u>										
West New Bern II (Rhems)	0.0314	0.0414	0.0414	0.0389	0.0389	0.0389	0.0457	0.0457	0.0400	0.0400
Township #1	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0269	0.0269	0.0269	0.0269
Tri Community	0.0277	0.0277	0.0277	0.0277	0.0377	0.0527	0.0658	0.0555	0.0555	0.0555
Little Swift Creek	0.0499	0.0549	0.0549	0.0549	0.0549	0.0549	0.0700	0.0700	0.0700	0.0650
Township #3	0.0624	0.0624	0.0624	0.0624	0.0624	0.0774	0.0861	0.0861	0.0861	0.0900
Township #5	0.0453	0.0453	0.0453	0.0453	0.0453	0.0553	0.0653	0.0653	0.0653	0.0653
Township #6	0.0516	0.0516	0.0516	0.0480	0.0480	0.0520	0.0586	0.0586	0.0500	0.0500
Township #7	0.0177	0.0177	0.0177	0.0177	0.0177	0.0190	0.0216	0.0272	0.0250	0.0250
West New Bern	0.0324	0.0324	0.0324	0.0324	0.0324	0.0349	0.0391	0.0457	0.0391	0.0391
Township #9	0.0582	0.0582	0.0582	0.0582	0.0682	0.0682	0.0746	0.0746	0.0746	0.0746
Sandy Point	0.0352	0.0352	0.0352	0.0352	0.0377	0.0527	0.0672	0.0672	0.0672	0.0672

Source: Craven County Tax Department

Note: (1) Real property was revalued on January 1, 2016

**Schedule 7
Craven County
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Paper Company	Wood pulp manufacturer	\$ 175,476,791	1	1.83%			
BSH Home Appliances Corp	Home appliance manufacturer	154,959,800	2	1.61%	\$ 88,714,247	2	0.93%
Duke Energy Progress Inc.	Electric utility	72,120,074	3	0.75%	45,496,273	4	0.47%
Weyerhaeuser Company	Real estate investment trust	60,412,920	4	0.63%	64,344,540	3	0.67%
NC New Bern LLC	Real estate development	32,192,090	5	0.34%			
Atlantic Marine Corps Communities, LLC	Real estate development	28,935,618	6	0.30%	33,026,305	6	0.34%
Wal-Mart Real Estate Business Trust	Real estate development	26,542,720	7	0.28%			
New Bern Apartments LLC	Real estate development	24,599,992	8	0.26%			
Craven Wood Energy LTD	Electricity manufacturer	22,840,959	9	0.24%			
Piedmont Natural Gas Co Inc.	Natural gas utility	22,493,705	10	0.23%			
Weyerhaeuser NR Company	Wood pulp manufacturer				193,319,487	1	2.02%
Carolina Telephone & Telegraph Co.	Communications utility				44,585,095	5	0.47%
Hatteras Yachts	Yacht builder				24,398,155	8	0.25%
Blakemore 300 Executive Parkway LLC & Kaplan 300 Executive Parkway LLC	Real estate development				23,820,773	9	0.25%
New Bern Riverfront Development LLC	Real estate development				29,920,263	7	0.31%
Carolina Creek LLC	Real estate development				23,061,480	10	0.24%
Totals		<u>\$ 620,574,669</u>		<u>6.47%</u>	<u>\$ 570,686,618</u>		<u>5.96%</u>

Source: Craven County Tax Department

Schedule 8
Craven County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date		
				Total Adjusted Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
		Adjustments							
2011	\$	46,445,227	\$ (682,187)	\$ 45,763,040	\$ 44,809,274	97.92%	\$ 867,186	\$ 45,676,460	99.81%
2012		45,700,284	(204,780)	45,495,504	44,547,702	97.92%	831,301	45,379,003	99.74%
2013		45,937,323	(101,107)	45,836,216	44,932,857	98.03%	771,108	45,703,965	99.71%
2014		46,405,671	423,380	46,829,051	46,266,555	98.80%	457,110	46,723,665	99.77%
2015		46,074,580	354,529	46,429,109	46,059,154	99.20%	316,539	46,375,693	99.88%
2016		46,661,088	287,113	46,948,201	46,591,996	99.24%	295,368	46,887,364	99.87%
2017		49,281,078	264,724	49,545,802	49,229,371	99.36%	233,900	49,463,271	99.83%
2018		50,133,887	208,230	50,342,117	50,013,650	99.35%	235,647	50,249,297	99.82%
2019		51,207,256	357,778	51,565,034	51,213,187	99.32%	168,960	51,382,147	99.65%
2020		52,499,119	271,764	52,770,883	52,162,736	98.85%	-	52,162,736	98.85%

Source: Craven County Tax Department

Schedule 9
Craven County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Installment Loans			
2011	\$ 29,915,363	\$ 54,142,701	\$ -	\$ 145,000	\$ 1,148,224	\$ 85,351,288	817	2.24%
2012	27,144,019	50,442,473	62,415	95,000	1,041,486	78,785,393	749	2.01%
2013	24,402,675	50,902,921	41,651	45,000	2,820,859	78,213,106	751	1.91%
2014	21,711,331	46,597,703	20,145	25,000	3,735,899	72,090,078	693	1.76%
2015	19,059,987	42,252,485	-	5,000	5,601,369	66,918,841	649	1.62%
2016	16,448,638	37,862,267	-	-	16,279,594	70,590,499	684	1.68%
2017	13,808,847	33,427,050	-	-	16,819,909	64,055,806	619	1.48%
2018	11,109,056	29,025,750	-	-	15,930,845	56,065,651	541	1.29%
2019	8,694,056	24,654,450	-	-	15,041,781	48,390,287	466	1.08%
2020	5,947,000	31,128,149	-	-	14,152,717	51,227,866	493	*

*Information not yet available

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the calendar year ended during the fiscal year. Calendar 2019 personal income not available to calculate fiscal year 2020.

Schedule 10
Craven County
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2011	30,060,363	1,790,762	28,269,601	0.74%	0.29%	270
2012	27,239,019	745,260	26,493,759	0.68%	0.28%	252
2013	24,447,675	377,273	24,070,402	0.59%	0.26%	231
2014	21,736,331	1,097,061	20,639,270	0.50%	0.23%	198
2015	19,064,987	647,407	18,417,580	0.45%	0.21%	179
2016	16,448,638	448,646	15,999,992	0.38%	0.18%	155
2017	13,808,847	155,992	13,652,855	0.31%	0.15%	132
2018	11,109,056	401,190	10,707,866	0.25%	0.11%	103
2019	8,694,056	1,210,957	7,483,099	0.17%	0.07%	72
2020	5,947,000	2,201,532	3,745,468	*	0.04%	36

*Information not yet available.

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2019 personal income not available to calculate fiscal year 2020.

(2) See schedule 5 for estimated actual taxable value data.

Schedule 11
Craven County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Value of Property	\$ 9,582,126	\$ 9,612,790	\$ 9,738,050	\$ 10,005,692	\$ 9,904,146	\$ 10,023,729	\$ 9,205,215	\$ 9,320,966	\$ 9,540,578	\$ 9,596,740
Debt Limit, 8% of Assessed Value (Statutory Limitation)	766,570	769,023	779,044	800,455	792,332	801,898	736,417	745,677	763,246	767,739
Amount of Debt Applicable to Limit										
Gross debt	85,351	78,785	78,213	72,090	66,919	70,590	64,056	56,066	48,390	51,228
Less:										
Amount available for repayment of g.o.bonds	1,791	745	377	1,097	647	449	156	401	1,211	2,202
Debt outstanding for water and sewer purposes	1,293	1,136	2,866	3,761	5,606	16,280	16,820	15,931	15,042	14,153
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	82,267	76,904	74,970	67,232	60,665	53,862	47,080	39,734	32,138	34,874
Debt	<u>\$ 684,303</u>	<u>\$ 692,120</u>	<u>\$ 704,074</u>	<u>\$ 733,223</u>	<u>\$ 731,667</u>	<u>\$ 748,036</u>	<u>\$ 689,337</u>	<u>\$ 705,944</u>	<u>\$ 731,109</u>	<u>\$ 732,866</u>
Total net debt applicable to the limit as	10.73%	10.00%	9.62%	8.40%	7.66%	6.72%	6.39%	5.33%	4.21%	4.54%

Note: NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Schedule 12
Craven County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
2011	104,523	3,816,083	36,732	14,817	11.00%	9,537
2012	105,170	3,910,918	37,420	14,749	11.00%	9,498
2013	104,213	4,094,203	39,078	14,606	9.70%	8,530
2014	104,069	4,100,424	39,243	14,472	9.00%	7,811
2015	103,111	4,121,440	39,436	14,297	6.80%	7,538
2016	103,184	4,195,496	40,555	14,120	6.12%	8,918
2017	103,426	4,340,800	41,962	14,002	5.26%	9,688
2018	103,594	4,345,888	42,367	13,778	4.73%	8,942
2019	103,779	4,493,680	43,665	13,584	4.19%	15,602
2020	103,983	*	*	13,113	4.08%	14,063

* Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year (July 1)
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
- (3) N.C. Department of Public Instruction, First Month Average Daily Membership.
- (4) N. C. Employment Security Commission, Annual Average as of the end of the calendar year ended during the fiscal year.
- (5) Total number of inspections performed by Craven County Inspections Department. Does not include inspections by municipalities.

Schedule 13
Craven County
Principal Employers
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,498	1	13.82%	5,408	1	14.20%
CarolinaEast Health Systems	2,303	2	5.79%	2,100	2	5.51%
Craven County Schools	1,646	3	4.14%	1,917	3	5.03%
BSH Home Appliances	1,200	4	3.02%	800	5	2.10%
Moen Incorporated	820	5	2.06%	630	6	1.65%
State of North Carolina	797	6	2.00%	938	4	2.46%
Craven County	650	7	1.63%	626	7	1.64%
Wal-Mart	622	8	1.56%	430		1.13%
Craven Community College	531	9	1.34%	460	10	1.21%
City of New Bern	451	10	1.13%	509	9	1.34%
Hatteras Yachts (Brunswick Corp)				540	8	1.42%
	<u>14,518</u>		<u>36.51%</u>	<u>14,358</u>		<u>37.69%</u>

Source: NC Employment Security Commission, Craven County Economic Development, NB Chamber of Commerce

Notes: (1) Excludes 7,215 active military personnel based in Craven County. It includes civilian employment at the Fleet Readiness Center East, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point.

Schedule 14
Craven County
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full Time Equivalent Employees as of June 30									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	75	72	77	80	78	77	78	78	79	84
Public safety	148	151	142	158	154	157	162	164	183	178
Social services	213	208	191	197	188	195	204	207	211	192
Economic and physical development	23	18	22	21	20	23	23	20	20	9
Environmental protection	32	30	29	30	31	29	28	30	32	28
Health	106	104	102	97	90	93	99	98	105	101
Transportation (1)										17
Cultural and recreation (2)	16	12	11	11	14	13	13	9	13	25
Water/Sewer (Business activity)	13	12	13	13	13	14	15	18	18	16
Total	<u>626</u>	<u>607</u>	<u>587</u>	<u>607</u>	<u>588</u>	<u>601</u>	<u>622</u>	<u>624</u>	<u>661</u>	<u>650</u>

Source: County Finance Department

Notes: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

(1) Effective 2020. Transportation function added to schedule. Employees were previously included in the Social Services count.

(2) Effective 2020. Convention Center FTE's were reclassified from Economic and physical development to Cultural and Recreation.

Schedule 15
Craven County
Operating Indicators by Function,
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (5)
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	9,629	9,216	9,294	8,587	9,457	9,453	9,823	9,483	10,212	9,774
Average daily population in jail (B)	236	302	259	277	261	276	275	287	306	304
<u>Health Services (C)</u>										
Food and lodging inspections	1,280	1,364	1,354	1,322	1,312	1,299	1,374	1,190	1,471	788
Visits to health department	26,372	27,085	27,268	28,774	30,576	30,014	29,298	27,262	28,151	26,900
<u>Transportation Services (D)</u>										
Number of miles driven	810,130	857,716	794,110	772,009	708,841	673,929	599,621	594,277	588,401	527,137
Number of trips provided	106,118	108,026	105,965	91,554	86,927	74,346	69,359	64,167	63,144	55,027
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	2,770	2,728	3,449	3,953	3,970	4,136	4,567	4,484	4,815	4,859
Number of real estate parcels	56,358	56,505	56,774	56,898	57,097	57,354	57,438	57,571	57,952	58,385
Number of tax bills generated (3)	148,943	149,366	150,381	114,148	65,112	67,034	67,398	67,425	67,813	68,488
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2) (G)	108	116	119	121	127	131	137	142	149	155
Economic impact of convention center (2) (4) (G)	10	9	9	9	9	9	9	9	2	1
Number of registered voters (H)	67,073	68,318	68,770	69,455	66,478	69,459	66,615	68,827	67,487	72,995
Number of enplanements at airport (I)	132,035	134,631	129,529	128,157	114,373	111,909	111,962	116,647	112,889	87,335
<u>Water Services</u>										
Number of service connections (J)	13,027	13,141	13,378	13,459	13,442	13,615	13,664	13,821	13,949	14,119

Notes:

(1) The amounts shown are for calendar year ending December 31 during the fiscal year.

(2) Amounts shown are millions of dollars.

(3) Fiscal 2015 decrease due to DMV billing for motor vehicles property tax at time of registration renewal.

(4) Fiscal 2019 decrease due to damages caused by Hurricane Florence September 12-15, 2018. Facility closed for repairs following the storm for the remainder of the fiscal year. Facility reopened October 2019.

(5) Fiscal 2020 decreases in most categorys can be attributed to COVID-19 restrictions.

Source of data:

(A) Craven County Emergency Services

(B) Craven County Sheriff Department

(C) Craven County Health Department

(D) CARTS (Craven County Transportation)

(E) Craven County Tax Department

(F) Craven County Finance Department

(G) New-Bern Craven County Convention Center

(H) Craven County Elections Department

(I) Coastal Carolina Regional Airport

(J) Craven County Water Department

Schedule 16
Craven County
Capital Asset Statistics by Function
Last Ten Fiscal Years

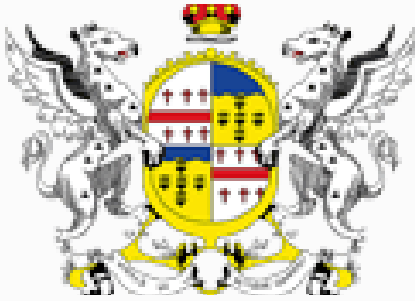
Function/Program	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Public Safety (A)</u>										
Correction facility rated capacities	292	292	292	292	292	292	292	292	292	292
<u>Parks and Land Use (B)</u>										
Number of county parks	4	4	4	4	4	4	4	4	4	4
Boat ramps operated (1)	2	2	2	2	2	0	0	0	0	0
<u>Water Service (C)</u>										
Miles of water main	633	633	633	633	634	634	634	650	650	655
Number of elevated water tanks	9	9	9	9	9	9	9	9	9	9
Number of system wells	10	10	10	10	10	10	10	18	18	18
Water Treatment Plant								1	1	1
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	32	32	32	32	32	32	32	32	32	29
<u>Economic and Physical Development</u>										
Convention center	1	1	1	1	1	1	1	1	1	1
Number of acres remaining at Industrial Park (E)	219	219	213	213	183	161	161	161	142	142
<u>Airport (F)</u>										
Number of runways	2	2	2	2	2	2	2	2	2	2

Source of data:

- (A) Craven County Sheriff Department
- (B) Craven County Recreation Department
- (C) Craven County Water Department
- (D) CARTS (Craven County Transportation)
- (E) Craven County Finance Department
- (F) Craven County Regional Airport

Note:

(1) Boat ramps were deeded to NC Wildlife Resouces Commission in fiscal year 2016.



COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Craven County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Craven County basic financial statements, and have issued our report thereon dated January 11, 2021. Our report includes a reference to other auditors who audited the financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matter that are reported on separately by those auditors. The financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Whiteville, NC

January 11, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

Report on Compliance for Each Major Federal Program

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

The County's basic financial statements include the operations of Carolina East Health System (Health System) and Craven County Alcoholic Beverage Control Board (ABC Board), both discretely presented component units of the County. Our audit of compliance, described below, did not include the operations of the Health System and ABC Board because the financial statement of the Health System and ABC Board (audited by other auditors) were not audited in accordance with Government Auditing Standards, the Uniform Guidance, and the State Single Audit Implementation Act.

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 Craven County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, 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 with governance. examining, on a test basis, evidence about Craven County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002 and 2020-003 that we consider to be significant deficiencies.

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

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

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

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

Whiteville, NC

January 11, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

Report on Compliance for Each Major State Program

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

The County's basic financial statements include the operations of Carolina East Health System (Health System) and Craven County Alcoholic Beverage Control Board (ABC Board), both discretely presented component units of the County. Our audit of compliance, described below, did not include the operations of the Health System and ABC Board because the financial statement of the Health System and ABC Board (audited by other auditors) were not audited in accordance with Government Auditing Standards, the Uniform Guidance, and the State Single Audit Implementation Act.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002 and 2020-003 that we consider to be significant deficiencies.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 11, 2021

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

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

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

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
10.561	Supplemental Nutrition Assistance Program
21.019	Coronavirus Relief Fund
97.036	Disaster Grant - Public Assistance
93.527	Health Center Program
93.778	Medical Assistance Program

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

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

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

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

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

Identification of major State programs:

<u>Program Name</u>
Disaster Grant - Public Assistance
Medical Assistance Program
Building Reuse Program
Public School Bulding Capital Fund - Lottery Proceeds

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA# 93.778

Finding: 2020-001

Inaccurate Information

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were eighteen errors discovered during our procedures that inaccurate information was entered when determining eligibility. Four of the six errors were inaccurate income calculation; One of the six errors was incorrect household size calculation. One of the six errors resulted in a applicant receiving benefits from the wrong class of the program.

Questioned Cost: The amounts paid out for the above ineligible participants did not exceed the threshold for a questioned cost determination.

Context: We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect income. Therefore a participant could have been approved to receive assistance for which they were not eligible.

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section III - Federal Award Findings and Questioned Costs (Continued)

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

CFDA# 93.778

Finding: 2020-002

Inaccurate Resource Calculation

SIGNIFICANT DEFICIENCY

Eligibility

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

Condition: There were six errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. Three of the five errors for which online verification for resources were incomplete.

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

Context: We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, a participant could have been approved to receive benefits for which they were not eligible.

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section III - Federal Award Findings and Questioned Costs (Continued)

US Department of Health and Human Services

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

Finding: 2020-003 IV-D Non-Cooperation

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There were five errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Cost:	There were no known affects to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, a participant could have been approved to receive benefits for which they were not eligible.
Identification of a Repeat Finding:	This is a repeat finding from the immediate previous audit, 2019-004 and 2019-005.
Cause:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping.

Section IV - State Award Findings and Questioned Costs

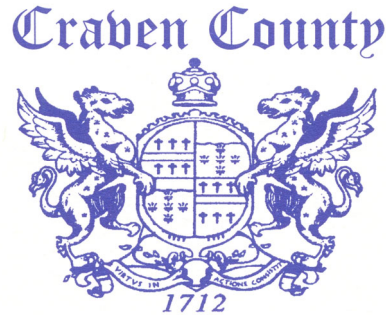
Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

SIGNIFICANT DEFICIENCY: Finding 2020-001, 2020-002 and 2020-003 also apply to State requirements and State Awards.

Board of Commissioners
Thomas F. Mark, Chairman
Jason R. Jones, Vice Chairman
Denny Bucher
George S. Limer
Theron L. McCabe
Ettienne "E.T." Mitchell
Johnnie Sampson, Jr.

Administrative Staff
Jack B. Veit III, County Manager
Gene Hodges, Assistant County Manager
Nan Holton, Clerk to the Board
Amber M. Parker, Human Resources Director
Craig Warren, Finance Director



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Commissioners 252-636-6601
Manager 252-636-6600
Finance 252-636-6603
Human Resources 252-636-6602

Corrective Action Plan
For the Year Ended June 30, 2020

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2020-001

Name of contact person: Geoff Marett, DSS Director and April Rollins, Income Maintenance Administrator

Corrective Action: A notes template will be required to be used by all caseworkers to ensure accurate documentation is in each case. We will continue to second party review cases at the minimum standard set by the state or more quarterly. The second party reviews will be completed by a leadworker and provided to the caseworker and supervisor. The supervisor will review each second party with the caseworker discussing deficiencies and policy to ensure the caseworker has a clear understanding on all issues cited. The case worker will be required to make the necessary corrections to each case and resubmit the corrections to the supervisor to ensure completion. Once the restrictions placed upon gatherings due to COVID-19 are lifted we will resume team meetings to review common errors and refresher trainings with all team members.

Proposed completion date: This will be an ongoing practice.

Finding 2020-002

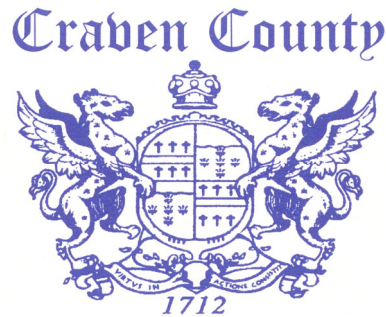
Name of contact person: Geoff Marett, DSS Director and April Rollins, Income Maintenance Administrator

Corrective Action: A notes template will be required to be used by all caseworkers to ensure accurate documentation is in each case. We will continue to second party review cases at the minimum standard set by the state or more quarterly. The second party reviews will be completed by a leadworker and provided to the caseworker and supervisor. The supervisor will review each second party with the caseworker discussing deficiencies and policy to ensure the caseworker has a clear understanding on all issues cited. The case worker will be required to make the necessary corrections to each case and resubmit the corrections to the supervisor to ensure completion. Once the restrictions placed upon gatherings due to COVID-19 are lifted we will resume team meetings to review common errors and refresher trainings with all team members.

Proposed completion date: This will be an ongoing practice.

Board of Commissioners
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Corrective Action Plan
 For the Year Ended June 30, 2020

Section III - Federal Award Findings and Questioned Costs (continue)

Finding 2020-003

Name of contact person: Geoff Marett, DSS Director and April Rollins, Income Maintenance Administrator

Corrective Action: A notes template will be required to be used by all caseworkers to ensure accurate documentation is in each case. We will continue to second party review cases at the minimum standard set by the state or more quarterly. The second party reviews will be completed by a leadworker and provided to the caseworker and supervisor. The supervisor will review each second party with the caseworker discussing deficiencies and policy to ensure the caseworker has a clear understanding on all issues cited. The case worker will be required to make the necessary corrections to each case and resubmit the corrections to the supervisor to ensure completion. Once the restrictions placed upon gatherings due to COVID-19 are lifted we will resume team meetings to review common errors and refresher trainings with all team members.

Proposed completion date: This will be an ongoing practice.

Section IV - State Award Findings and Questioned Costs

Corrective Action for Finding 2020-001, 2020-002 and 2020-003 also apply to the State award findings.

Craven County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2020

Finding: 2019-001
Status: Corrected

Finding: 2019-002
Status: Corrected

Finding: 2019-003
Status: Corrected

Finding: 2019-004
Status: Repeated as 2020-003

Finding: 2019-005
Status: Repeated as 2020-003

Craven County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,185,441	\$ -	\$ -	\$ 1,185,441
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		584,538	-	-	-
Total U.S. Department of Agriculture			1,769,979	-	-	1,185,441
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce CDBG - Neighborhood Revitalization Program	14.228		59,380	-	-	-
Total U.S. Department of Housing and Urban Development			59,380	-	-	-
<u>U.S. Dept. of Justice</u>						
Direct Program: State Criminal Alien Assistance Program	16.606		9,801	-	-	-
Equitable Sharing Program	16.922		18,345	-	-	-
Total U.S. Dept. of Justice			28,146	-	-	-
<u>U.S. Dept. of Transportation</u>						
Direct Programs: Administered by Craven County Regional Airport Authority Airport Improvement Program						
Airport Improvement Program - CARES Act Fund	20.106		1,233,536	-	-	-
Airport Improvement Program - Airport Security	20.106		77,560	-	-	-
Airport Project NO. 39	20.106		27,323	-	-	3,036
Airport Project NO. 40	20.106		195,148	-	-	21,683
Airport Project NO. 42	20.106		4,385	-	-	487
Airport Project NO. 43	20.106		626,994	-	-	69,666
Total Airport Improvement Program			2,164,946	-	-	94,872
Administered by Craven Area Rural Transportation System Federal Transit Formula Grants						
Federal Transit Formula Grants	20.507		169,960		-	
COVID 19 Federal Transit Formula Grants	20.507		120,931			
Total Federal Transit Formula Grants			290,891	-	-	-
Passed-through the N.C. Department of Transportation: Administered by Craven Area Rural Transportation System: Formula Grants for Rural Areas and Tribal Transit Program						
		DOT-11				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.31.21.1	218,244	13,634	-	40,932
Formula Grants for Rural Areas and Tribal Transit Program	20.509	36233.31.21.2	47,122	-	-	47,122
COVID 19 Formula Grants for Rural Areas and Tribal Transit Program	20.509		85,694			
Total Formula Grants for Rural Areas and Tribal Transit Program			351,060	13,634	-	88,054
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	DOT-14 44637.5.3.1	139,284	17,410	-	17,412
Total U.S. Dept. of Transportation			2,946,181	31,044	-	200,338
<u>U.S. Dept. of Treasury</u>						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund	21.019		229,693	-	-	-
Total U.S. Dept. of Treasury			229,693	-	-	-

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Disaster Grant - Public Assistance	97.036		1,707,230	569,077	-	-
Hazard Mitigation Grant Program	97.039	4393-008-R	35,358	-	-	-
Flood Mitigation Assistance Grant - Elevation	97.029	FMA-PJ-04-NC- 2016-006	161,959	-	-	-
Flood Mitigation Assistance Grant - Elevation	97.029	FMA-PJ-04-NC- 2016-014	15,966	-	-	-
Emergency Management Performance	97.042	EMPG-2016-37049	51,510	-	-	-
Administered by Craven County Regional Airport Authority						
Disaster Grant - Public Assistance	97.036		175,064	58,355		
Total U. S. Department of Homeland Security			2,147,087	627,432	-	-
<u>U.S. Dept. of Health & Human Services</u>						
CARES Act - Provider Relief Fund	93.498		57,573	-	-	-
Health Center Program	93.527		1,433,211	-	-	-
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		114,645	6,744	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		117,494	6,911	-	-
Nutrition Services Incentive Program	93.053		36,335	-	-	-
Total Aging Cluster			268,474	13,655	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		1,587,613	-	-	696,600
Division of Public Health						
TANF - Work First	93.558		16,489	-	-	
Total TANF Cluster			1,604,102	-	-	696,600
<u>Foster Care and Adoption Cluster (Note 4)</u>						
COVID-19 - Foster Care Title IV - Supplemental Payments	93.658		28,900	-	-	-
Foster Care - Title IV-E	93.658		798,687	165,660	-	505,818
Foster Care	N/A		106,738	-	-	-
Adoption Assistance	93.659		19,626	-	-	19,626
Total Foster Care and Adoption Cluster (Note 4)			953,951	165,660	-	525,444
AFDC Payments & Penalties	93.560		(139)	(38)	-	(38)
Child Support Enforcement	93.563		724,236	(636)	-	373,727
Refugee Assistance Admin	93.566		2,197	-	-	-
Family Preservation	93.556		41,065	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		71,495	-	-	-
Energy Assistance Payments	93.568		411,413	-	-	-
Crisis Intervention Program	93.568		309,875	-	-	-
Total Low-Income Home Energy Assistance			792,783	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		23,057	-	-	7,686
Chafee Foster Care Independence Program	93.674		24,195	5,305	-	-

Craven County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
SSBG - Other Service and Training	93.667		430,104	-	-	143,368
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - Adult Protective Service	93.667		73,397	-	-	7,610
SSBG - State In Home Service Fund	93.667		61,820	-	-	8,831
SSBG - CPS TANF TO SSBG	93.667		123,729	-	-	-
Passed-through Eastern Carolina Council of Governments:						
Social Service Block Grant (SSBG) - In Home Services	93.667		16,765	479	-	-
Total Social Service Block Grant			705,815	479	-	159,809
Division of Child Development and Early Education:						
Subsidized Child Care						
Child Care Development Fund Cluster:						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		176,849	-	-	-
Total Subsidized Child Care			176,849	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		3,385,634	7,677	-	1,279,513
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		131,771	3,132	-	8,627
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		39,353	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-	-
Family Planning Services	93.217		85,797	-	-	-
Immunization Grants	93.268		37,858	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		98,592	-	-	-
Refugee and Entrant Assistance Targeted Assistance Grants	93.566		6,897	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		13,000	-	-	-
HIV Prevention Activities_Health Department Based	93.940		103,999	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		92,617	40,477	-	-
Total U.S. Dept. of Health and Human Services			10,833,958	235,711	-	3,051,368
Total Federal Awards			\$ 18,014,424	\$ 894,187	\$ -	\$ 4,437,147
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			-	2,182	-	-
Total N.C. Dept. of Administration			-	2,182	-	-
<u>N.C. Department of Commerce</u>						
Division of Rural Economic Development						
Building Reuse Program			-	310,000	-	-
Total N.C. Department of Commerce			-	310,000	-	-

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,600	-	-
Electronic Management Program			-	6,013	-	-
Total N.C. Dept. Environmental Quality			-	9,613	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Golden LEAF Grant - Disaster Recovery			-	89,880	-	-
Division of Soil and Water Conservation						
Stream Debris Removal Project			-	205,543	-	-
Total N.C. Department of Agriculture and Consumer Services			-	295,423	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services						
State Appropriation - Access			-	15,924	-	-
State Appropriation - In-Home Services			-	134,866	-	-
State Appropriation - Home Delivered Meals			-	93,141	-	-
Total Division of Aging and Adult Services			-	243,931	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	88,995	-	-
County Funded Programs			-	-	-	2,400,796
DCD Smart Start			-	40,242	-	-
Energy Assistance			-	4,759	-	-
AFDC Incent/Prog Integrit			-	123	-	-
Non-Allocating Reimbursable			-	-	-	493,013
Work First Non Reimbursable			-	-	-	133,067
CSE Disaster Non-Reimbursable			-	-	-	70,302
Extended FC/MAX Non IV-E			-	16,061	-	-
SFHF Maximization			-	93,336	-	93,336
State Foster Home			-	120,251	-	120,250
Total Division of Social Service			-	363,767	-	3,310,764
Division of Public Health						
Food and Lodging Fees			-	19,680	-	-
Mosquito and Tick Suppression			-	8,737	-	-
Aid-to -Counties			-	131,720	-	-
General Communicable Disease Control			-	6,343	-	-
Child Health			-	1,102	-	-
HIV/STD STATE			-	12,500	-	-
Gonorrhea Partner Services			-	61	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	172	-	-
Breast and Cervical Cancer Control			-	11,700	-	-
Family Plannning - State			-	25,620	-	-
Maternal Health			-	70,250	-	-
High Risk Maternity Clinics			-	71,428	-	-
Women's Health Service Fund			-	14,102	-	-
TB Control			-	33,610	-	-
Total Division of Public Health			-	410,810	-	-
Total N. C. Department of Health and Human Services			-	1,018,508	-	3,310,764
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs						
Community for Children			-	3,886	3,886	-
Structured Day Reporting			-	95,296	95,296	-
Teen Court			-	147,607	147,607	-
Raise the Age			-	41,860	41,860	-
Total Juvenile Crime Prevention Programs			-	288,649	288,649	-
Total N. C. Department of Public Safety			-	288,649	288,649	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program	36220.10.9.1		-	119,598	-	-
ROAP Rural General Public Program	36228.22.9.1		-	37,378	-	-
ROAP Work First Transitional - Employment	36236.11.8.1		-	30,585	-	-
Total ROAP Cluster			-	187,561	-	-

Craven County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
State Maintenance Assistance for Urban and Small Urban Program		DOT-9 36234.88.1.2	-	78,477	-	-
Rural State Operating Program		DOT-11 36223.144.1.2	-	1,207	-	1,207
State Aide to Airports Program		DOT-8 36244.26.12.1	-	110,554	-	-
State Aide to Airports Program		DOT-8 36244.26.12.2	-	229,848	-	-
Total N.C. Dept. of Transportation			-	607,647	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds			-	1,029,300	-	-
Total N.C. Department of Public Instruction			-	1,029,300	-	-
Total State Awards			\$ -	\$ 3,561,322	\$ 288,649	\$ 3,311,971
Total Federal and State Awards			\$ 18,014,424	\$ 4,455,509	\$ 288,649	\$ 7,749,118

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and CI	10.557	1,782,043	-
Supplemental Nutrition Assistance Program	10.551	18,822,640	-
Medical Assistance Program	93.778	88,910,832	40,261,122
Children's Health Insurance Program	93.767	2,058,943	155,228
IV-E Adopt & Vendor	93.659	436,729	103,347
TANF Payments & Penalties	93.558	286,582	-
Refugee Assistance Payment	93.566	3,047	-
CWS Adopt, Vendor, Guard	N/A	-	238,054
SAA/SAD HB 1030	N/A	-	34
SC/SA Domiciliary Care	N/A	-	390,499

Note 6: Coronavirus Relief Funds

Craven County received \$1,911,835 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$1,982,308 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Craven County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.