

CRAVEN COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

REVIEWED

By SLGFD at 12:50 pm, Dec 17, 2021

FOR THE YEAR ENDED

June 30, 2021



PREPARED BY THE FINANCE DEPARTMENT

CRAIG A. WARREN, FINANCE OFFICER

CRAVEN COUNTY

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INTRODUCTORY SECTION

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- Organizational Chart
- Map of Craven County, North Carolina



November 23, 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, 2021. 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, 2021, 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, 2021, 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 approximately 13,000 military and civilian personnel. The base is also the location of Halyburton Naval Health Clinic.

While maintaining rural characteristics, 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 remain steady 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's economy continues to improve as the County continues to navigate the economic impacts caused by the COVID-19 pandemic. Additional Federal stimulus passed by Congress in the American Rescue Plan Act, falling COVID-19 infections, and easing of business restrictions have all

contributed to stronger than expected revenue collections over the past fiscal year. Conversely, some areas of the economy such as unemployment and tourism are still in the recovery phase.

Craven County's average unemployment rate for calendar year 2020 increased by 2.5 percent to 6.6 percent from the previous calendar year 2019. The rate remained steady for most of the year with its lowest point reported at 3.4 percent in February 2020, just before pandemic related public safety restrictions were put into place. As a result of those restrictions, the unemployment rate reached its highest point of 11.5 percent in May 2020. Comparatively, the statewide average unemployment rate for calendar 2020 was 7.3 percent, an increase of 3.4 percent from the previous calendar year 2019. The County ended the fiscal year with an unemployment rate of 4.8 percent for June 2021 which is much closer to pre-pandemic levels. Overall, the total number of people employed in Craven County decreased by 3.4 percent in calendar year 2020 (using annual average figures) compared to last year. Government (federal, state and local) employment decreased by 1.4 percent from the prior year while private sector employment fell 4.3 percent. While the private sector makes up 67.1 percent of all total jobs in Craven County, the single largest sector of employment in the County remains Government at 32.8 percent. 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 calendar year 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	Wal-Mart Associates Inc.	Retail Trade	500-999
7	Craven County	Public Administration	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

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. According to the latest information available, total payroll for the base in 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 surrounding 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, NC understand the significance and importance of the military presence in the County and all of eastern North Carolina.

In 2020 per capita personal income in Craven County increased by 7.8 percent (the latest information available), to \$48,832. The change for the state of North Carolina in 2020 was a 5.5 percent increase and nationally the change was a 6.2 percent increase. The County's per capita income level is 97 percent of the state's average of \$50,305 and 82 percent of the national average of \$59,510. The County ranked 20th out of 100 counties in the state in per capita income, the same position reported for the previous year. The 2010-2020 average annual growth rate of per capita personal income for Craven County was 2.9 percent, while the average annual growth rate for the state was 3.4 percent and 3.9 percent for the nation.

Both residential development and the local housing market in Craven County experienced significant growth over the past year reporting above average increases for calendar 2021. New home construction increased by 144 percent in 2021 from the previous year with 246 new home starts compared to 144 reported in 2020. Recent sales data shows the number of homes sold in calendar year 2021 increased by 28.9 percent with 2,641 homes sold, compared to 2,049 sold in the previous year. The average home sales price in Craven County increased 20.3 percent in calendar year 2021 to \$219,000 from \$182,000 reported for the previous year. Current expectations are that these trends will carry over into next year as the demand for housing is projected to remain strong.

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 and international tourism in Craven County generated an economic impact of \$114.9 million in 2020, a decrease of 31.9 percent from the previous year and was down due to pandemic related travel restrictions. Across the state, visitor spending was down 31.7 percent. State and local tax revenues generated from travel to Craven County amounted to \$9.8 million which represents a \$95.11 tax savings to each county resident. According to North Carolina Division of Tourism, Film and Sports Development, in 2019 there were 1,107 jobs in Craven County related to tourism with an annual payroll of \$37.6 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 1,350. 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. As a result of Hurricane Florence, the Center sustained major damages and had already been closed for repairs prior to the pandemic occurring. The facility reopened in October 2019 for six months only to close again in March 2020 due to pandemic meeting restrictions. The Center was finally able to reopen in October 2020 but at limited capacity. The Center hosted a total of 42 events and generated approximately \$850,000 of economic impact to the community during the fiscal year ending June 30, 2021.

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 2022, the County's total operating budget is \$121,196,303 with a General Fund tax rate of \$.56 cents per \$100 of assessed valuation. The estimate of property values used for fiscal 2022 was \$10.01 billion, an increase of 1.11 percent from the 9.9 billion used for fiscal 2021. The County has experienced modest growth in the tax base over the past year as the fiscal 2022 estimate represents an increase of approximately \$113 million in value over the actual reported for the previous fiscal year. 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 2022 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 2022, \$424,561 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, 2021, the County ended the year with an available General Fund balance of 27.87 percent of total expenditures and transfers out.

Capital needs of the County are assessed on an annual basis. The County's Capital Improvement Plan is budgeted at \$2.7 million for fiscal 2022 and 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 is the primary source of funding for capital projects allowing the County to pay for future capital needs as they arise. Transfers of \$193,500 were made from the reserve during 2021 for capital items. No transfers were made into the Capital Reserve in 2021 however \$10,263 of interest was earned during the year. As a result of this activity, the County used approximately \$183,237 of its Capital Reserve during fiscal 2021.

Major Initiatives

The County is involved in several initiatives heading into fiscal 2022. 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), a public private partnership between Craven County, the cities of New Bern and Havelock, and the private sector. Fiscal year 2021 proved to be a time of investment in Craven County. During the year, Hatteras Yachts was acquired by White River Marine Group, a subsidiary of Bass Pro Shop. The planned investments into the facility were announced to be \$36 million. All existing 188 Hatteras employees were offered jobs with White River Marine Group while the firm also intends on bringing the total employment up to 504 jobs over the next five years. A second announcement came later in the year by the company ASI, a prime contractor for the Department of Defense, who intends to invest \$5.6 million in their own facility and create approximately 30 jobs within five years. With this continued growth, much of the County's economic development efforts have been on real estate development and workforce attraction. The county, with its state partners, invested \$500,000 in extending water and sewer in the industrial park. This allowed ASI to purchase 8 acres of property for their project in addition to the land purchase by Bayfront Development, a developer who purchased 6 acres to build a shell building. The project gained interest quickly and Bayfront began negotiating with an end user, changing their project from speculative to end use.

In 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. The study's findings recommended improvements to County facilities including major renovations and new construction at an approximate cost of \$59 million into multiple phases over a 15-year period. Major projects completed to date include the renovation and improvement of the Convention Center and the construction of a new Parks and Recreation Office Building at Creekside Park. Next on the schedule to begin construction in fiscal 2022 is a new building for Craven's Area Rural Transportation Department (CARTS). 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 will also continue with its Enterprise Resource Planning (ERP) software replacement project budgeted at \$2 million heading into next fiscal year. The modules being upgraded under this project include the Financial, Payroll, Human Resources, Utility Billing, Permitting, and Tax. With the financial, payroll, human resources, and tax modules completed, resources will be allocated towards implementing the remaining utility and permitting modules which will occur over the next two fiscal years.

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

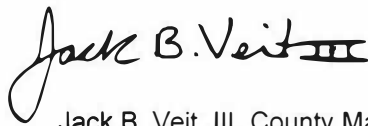
annual financial report for the fiscal year ended June 30, 2020. This was the thirty-first consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial 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,

Handwritten signature of Jack B. Veit, III in black ink.

Jack B. Veit, III, County Manager

Handwritten signature of Craig A. Warren in black ink.

Craig A. Warren, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Craven County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CRAVEN COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2021

BOARD OF COMMISSIONERS

JASON R. JONES

Chairman

DENNY BUCHER

Vice-Chairman

GEORGE S. LINER

THOMAS MARK

THERON MCCABE

E. T. MITCHELL

BEATRICE SMITH

COUNTY OFFICIALS

JACK B. VEIT III

County Manager

CRAIG A. WARREN

Finance Officer

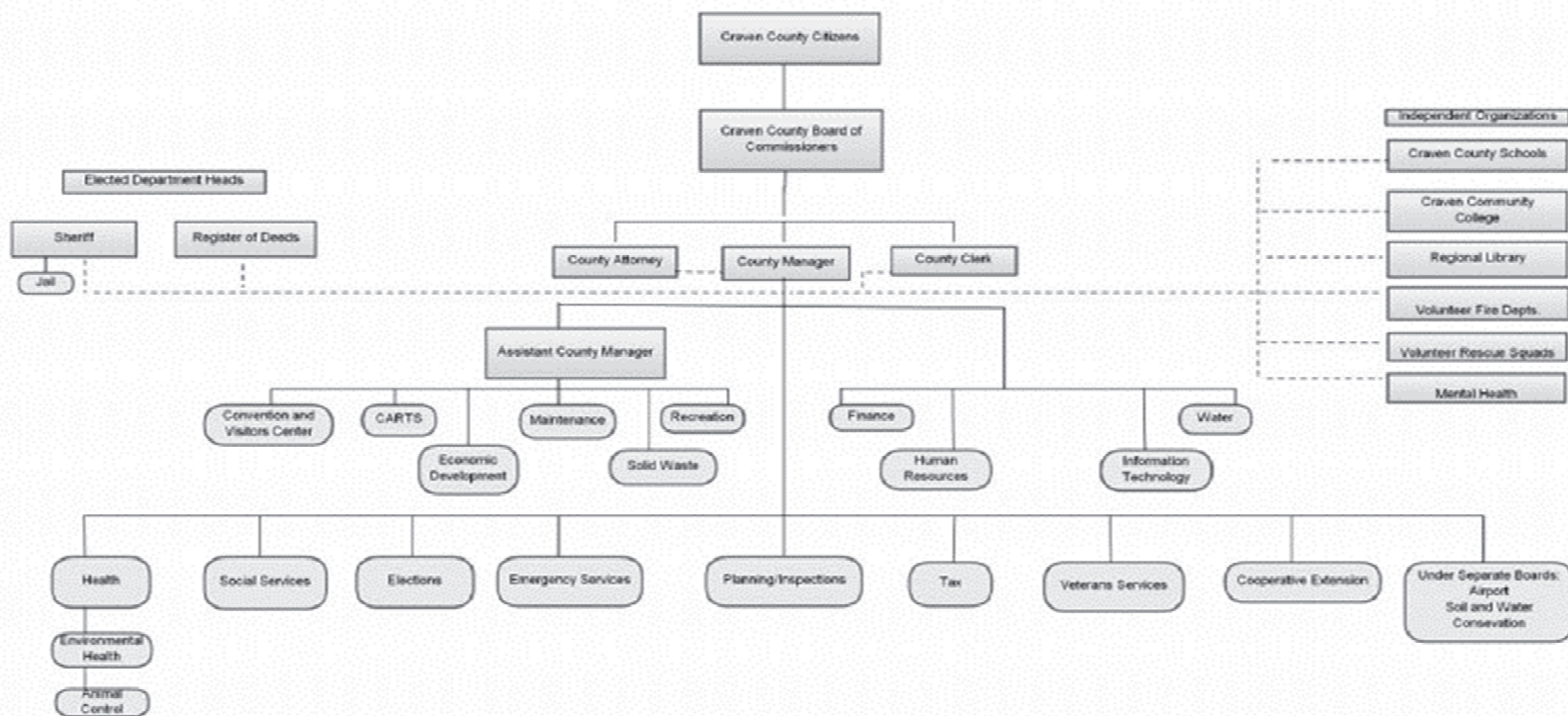
GENE HODGES
Assistant County Manager

SHERRI B. RICHARD
Register of Deeds

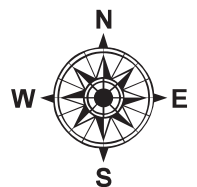
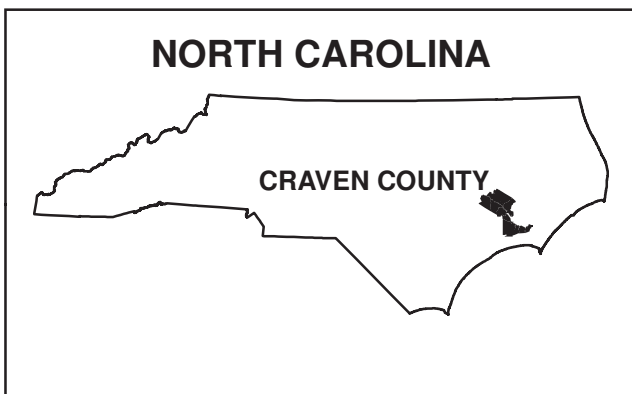
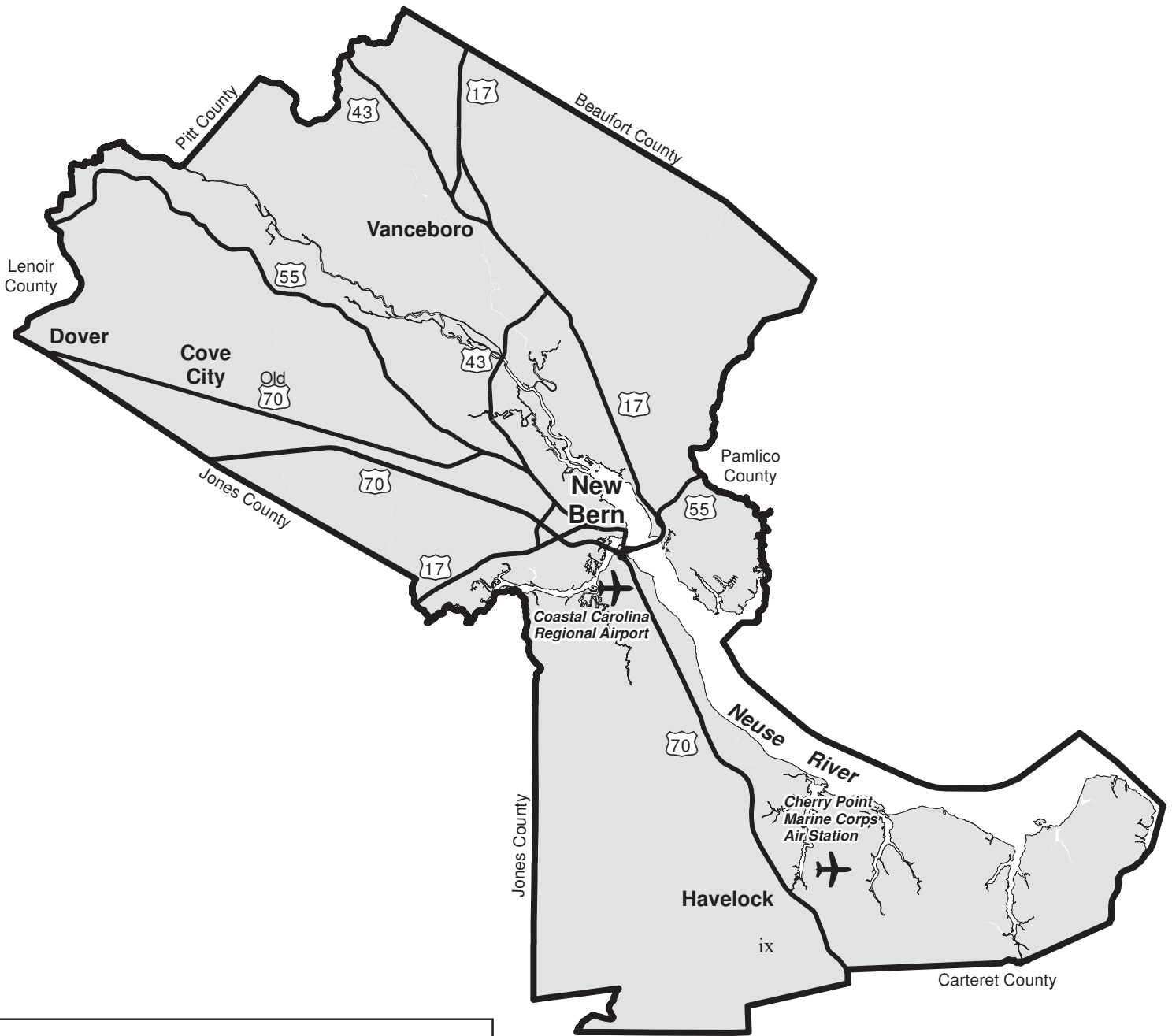
CHIP HUGHES

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



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

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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, 2021, 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 bases 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 92.6 percent, 91.4 percent, and 97.7 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 adn 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

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

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, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Craven County Tourism Development Authority, and the Craven County Regional Airport Authority 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, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, Coastal Carolina Regional Airport Authority's Local Government Employees' Retirement System schedules of the County's Proportionate Share of the Net Pension Liability and Authority 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 listed in the table of contents as Other Supplementary Information in the Financial Section, the Schedule of Expenditures of Federal and State Awards in the Compliance Section 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 and the State Single Audit Implementation Act, the Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information 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 Other Supplementary Information, 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 23, 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

November 23, 2021

Craven County
Management's Discussion and Analysis
June 30, 2021

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, 2021. 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 \$131,988,802 (net position).

The government's total net position increased by \$17,452,438 in fiscal year 2021. Of this amount, \$33,472 was an increase in net position resulting from the operations of the Water enterprise fund. The remaining \$17,418,966 increase in net position was in governmental activities and was primarily due to revenues exceeding projections and under spending appropriations by \$8,812,951 in the general fund.

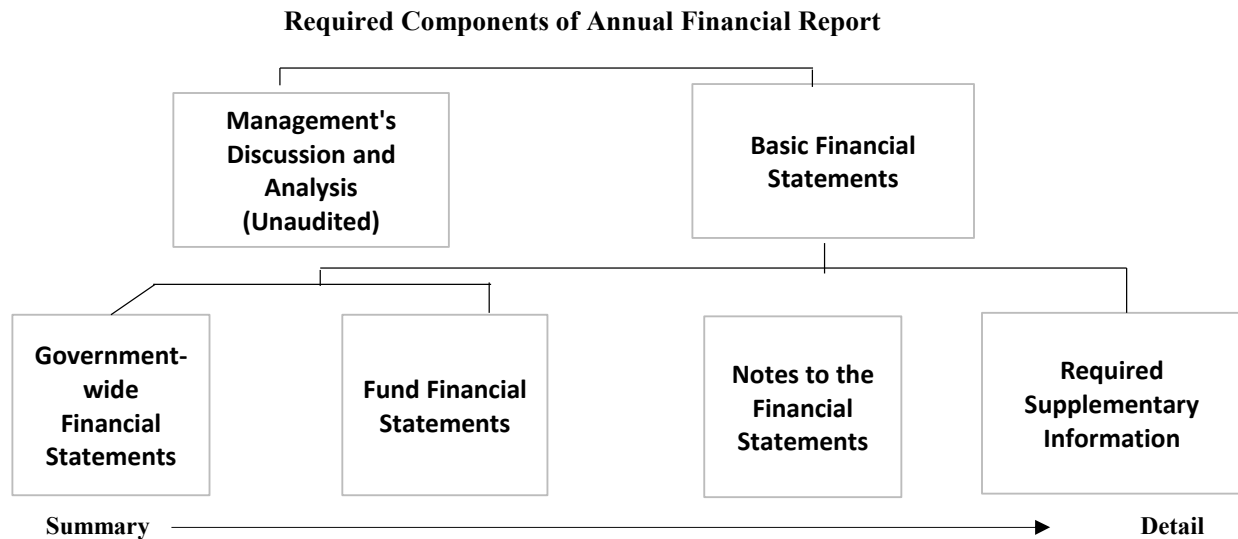
As of the close of the current fiscal year, Craven County's governmental funds reported combined ending fund balances of \$70,193,792, reflecting a net increase of \$9,148,123 for the year. Approximately 56.57 percent of the total amount or \$39,709,115, is restricted, committed, or assigned.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$33,164,799 or 29.42 percent of total General Fund expenditures excluding other financing uses for the fiscal year.

The County's total long-term debt decreased by \$7,289,214 as a result of debt service payments made during the fiscal year.

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.



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 - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Craven County has two fiduciary funds, both of which are custodial funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start 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 \$131,988,802 as of June 30, 2021. The County's net position increased by \$17,452,438 for the fiscal year ended June 30, 2021. By far, the largest category of net position, totaling \$80,078,637 or 60.67 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 \$29,444,458 or 22.31 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 \$22,465,707 is unrestricted at June 30, 2021 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 \$13,069,000 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	\$ (13,069,000)
All Other	35,534,707
Total unrestricted net position	<u>\$ 22,465,707</u>

Craven County's Net Position

	Governmental Activities		Business Type Activities		Total Activities	
	2021	2020	2021	2020	2021	2020
Current and other Assets	\$ 91,923,472	\$ 73,179,818	\$ 14,095,623	\$ 13,763,372	\$ 106,019,095	\$ 86,943,190
Capital Assets, net	71,337,048	65,890,222	39,611,242	40,601,663	110,948,290	106,491,885
Total assets	<u>163,260,520</u>	<u>139,070,040</u>	<u>53,706,865</u>	<u>54,365,035</u>	<u>216,967,385</u>	<u>193,435,075</u>
Total deferred outflows of resources	<u>15,705,312</u>	<u>12,153,299</u>	<u>270,863</u>	<u>189,052</u>	<u>15,976,175</u>	<u>12,342,351</u>
Long-term liabilities	60,805,600	59,706,281	13,043,492	13,752,172	73,849,092	73,458,453
Other Liabilities	14,553,482	13,708,164	1,543,606	1,447,317	16,097,088	15,155,481
Total liabilities	<u>75,359,082</u>	<u>73,414,445</u>	<u>14,587,098</u>	<u>15,199,489</u>	<u>89,946,180</u>	<u>88,613,934</u>
Total deferred inflows of resources	<u>1,020,273</u>	<u>754,925</u>	<u>13,243</u>	<u>10,683</u>	<u>1,033,516</u>	<u>765,608</u>
Net position:						
Net investment in capital assets	53,731,048	48,698,804	26,347,589	26,448,945	80,078,637	75,147,749
Restricted	29,444,458	25,134,861	-	-	29,444,458	25,134,861
Unrestricted	9,435,909	1,260,990	13,029,798	12,894,970	22,465,707	14,155,960
Total net position	<u>\$ 92,611,415</u>	<u>\$ 75,094,655</u>	<u>\$ 39,377,387</u>	<u>\$ 39,343,915</u>	<u>\$ 131,988,802</u>	<u>\$ 114,438,570</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 increasing the collection percentage to 99.23, up from 98.85 the previous year, and higher than the statewide average of 98.83 percent for the previous year.
- Conservative approach to projecting revenue and expenditure based upon the economy and local trends. Total General Fund revenues were more than projected by \$9.2 million while total General Fund expenditures were less than projected by \$8.8 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for services	\$ 15,376,119	\$ 14,565,896	\$ 4,290,039	\$ 3,849,499	\$ 19,666,158	\$ 18,415,395
Operating grants and contributions	36,350,598	25,310,768	62,864	-	36,413,462	25,310,768
Capital grants and contributions	1,739,141	1,184,199	-	-	1,739,141	1,184,199
General revenues:						
Property taxes	57,394,807	55,119,160	-	-	57,394,807	55,119,160
Sales and use taxes	22,920,189	19,828,653	-	-	22,920,189	19,828,653
Other	4,818,634	4,974,878	12,454	101,051	4,831,088	5,075,929
Total revenues	<u>138,599,489</u>	<u>120,983,554</u>	<u>4,365,357</u>	<u>3,950,550</u>	<u>142,964,846</u>	<u>124,934,104</u>
Expenses:						
General government	14,737,395	13,026,648	-	-	14,737,395	13,026,648
Public Safety	29,041,862	23,546,188	-	-	29,041,862	23,546,188
Environmental Protection	7,259,522	8,048,976	-	-	7,259,522	8,048,976
Economic and physical development	4,701,754	4,150,209	-	-	4,701,754	4,150,209
Human Services	32,524,881	30,552,111	-	-	32,524,881	30,552,111
Culture and recreation	2,700,856	2,871,967	-	-	2,700,856	2,871,967
Education	29,087,523	28,571,621	-	-	29,087,523	28,571,621
Interest on long term debt	1,256,730	1,347,956	-	-	1,256,730	1,347,956
Water and sewer districts	-	-	4,201,885	4,089,249	4,201,885	4,089,249
Total expenses	<u>121,310,523</u>	<u>112,115,676</u>	<u>4,201,885</u>	<u>4,089,249</u>	<u>125,512,408</u>	<u>116,204,925</u>
Increase in net position before transfers	17,288,966	8,867,878	163,472	(138,699)	17,452,438	8,729,179
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	17,418,966	8,997,878	33,472	(268,699)	17,452,438	8,729,179
Net position beginning of year	75,094,656	66,096,778	39,343,915	39,612,614	114,438,571	105,709,392
Restatement	97,793	-	-	-	97,793	-
Net Position, beginning, as restated	<u>75,192,449</u>	<u>66,096,778</u>	<u>39,343,915</u>	<u>39,612,614</u>	<u>114,536,364</u>	<u>105,709,392</u>
Net Position ending	<u>\$ 92,611,415</u>	<u>\$ 75,094,656</u>	<u>\$ 39,377,387</u>	<u>\$ 39,343,915</u>	<u>\$ 131,988,802</u>	<u>\$ 114,438,571</u>

Governmental Activities - Governmental activities increased the County's net position by \$17,418,966 from the prior fiscal year. Key elements of this increase are as follows:

- Intergovernmental revenues increased by \$11.0 million in 2021 from the prior year mostly due to CARES Act funds received for COVID-19 response.
- Property tax revenues increased by \$2.3 million in 2021 due to continued diligence in collection efforts along with modest growth in the tax base.
- Sales tax revenues increased approximately \$3.1 million from the prior year due to increased consumer spending in the County and around the State. In March 2021, Congress passed additional federal stimulus payments that provided a major boost to personal incomes and household spending.
- Overall expenses increased \$8.9 million from the previous year with Public Safety, Human Services, and General Government making up the largest portions of the increase at \$5.5 million, \$2.0 million, and \$1.7 million, respectively.
- The County's COVID-19 emergency response and expanded funding for School Resource Officers were primary driving factors behind this increase.
- 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 increased the County's total net position by \$33,472.

- Total revenues were up \$414 thousand compared to last fiscal year mostly due to expiring state mandated COVID-19 restrictions that did not carry into fiscal 2021. 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 which resulted in lower revenues collected in the prior year. \$62 thousand in FEMA proceeds from Hurricane Florence were also recovered during the fiscal 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, 2021, the governmental funds of Craven County reported a combined fund balance of \$70,193,792, which represents a 15.01 percent increase from last year.

The General Fund is the chief operating fund of Craven County. At the end of fiscal 2021, the County's unassigned fund balance in the General Fund was \$33,164,799 while total fund balance reached \$50,080,951. 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 27.87 percent of total General Fund expenditures including transfers out, while total fund balance represents 42.09 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 \$183,237 due to transfers out totaling \$193,500. This total transfer funded capital expenditures in the General Fund and was partially offset by interest revenue totaling \$10,263.

Fund balances of the non-major governmental funds decreased by \$970,871. The primary reason for this decrease is the expenditures associated with the Courthouse EOC Project.

General Fund Budgetary Highlights - The County approaches the budget using conservative, fact-based estimates for revenues and expenditures. As a result, actual revenues during 2021 exceeded budget estimates by \$9.2 million or 7.69 percent. 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 \$9.1 million and expenditure appropriations by \$10.4 million.

Total expenditures during 2021 came in under budget by \$8.8 million or 7.27 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 underspent by \$ 5.2 million, \$1.7 million, and \$1.0 million, respectively.

Net transfers out were increased in the budget by approximately \$2.0 million and consisted of \$1.1 million in additional sales tax revenue designated for school capital expenditures transferred to the Debt Service Fund and \$700 thousand transferred to capital projects. The transfers out were offset by transfers in of \$76 thousand 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 in the Water Fund at increased during the fiscal year by \$134 thousand to \$13.0 million while net investment in capital assets decreased \$101 thousand. As a result of this activity, the total net position in the Water Fund increased by \$33 thousand. Better than projected revenues from water sales and unanticipated proceeds from FEMA were the main factors that contributed to the increase.

Capital Asset and Debt Administration

Capital assets - Craven County's capital assets for its governmental and business-type activities as of June 30, 2021 totaled approximately \$110,948,290 (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:

- Equipment upgrades in IT data center
- Replace air handler at Emergency Operations Center
- Elevate HVAC condensers at Administrative Building
- Repair mortar joints at Courthouse and District Attorney’s Office
- Purchase of 42 vehicles including 21 for the Sheriff’s Department
- Camera system upgrade at Judicial Center
- Application of epoxy coating to floors in the Jail
- Utility extension project at the Industrial Park
- Convenience site improvements in Solid Waste
- Accessibility improvements at Creekside Park

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 10,640,372	\$ 10,041,280	\$ 947,354	\$ 947,354	\$ 11,587,726	\$ 10,988,634
Buildings	67,537,091	66,937,661	30,695,648	30,695,648	98,232,739	97,633,309
Improvements	23,104,951	21,151,691	30,153,432	30,117,386	53,258,383	51,269,077
Machinery and Equipment	9,346,622	9,061,590	238,887	198,887	9,585,509	9,260,477
Vehicles	8,226,205	7,128,002	342,320	321,692	8,568,525	7,449,694
Construction in progress	15,021,095	9,866,745	772,374	181,804	15,793,469	10,048,549
Total	133,876,336	124,186,969	63,150,015	62,462,771	197,026,351	186,649,740
Less accumulated depreciation	62,539,288	58,296,747	23,538,773	21,861,107	86,078,061	80,157,854
Total, net of depreciation	<u>\$ 71,337,048</u>	<u>\$ 65,890,222</u>	<u>\$ 39,611,242</u>	<u>\$ 40,601,664</u>	<u>\$ 110,948,290</u>	<u>\$ 106,491,886</u>

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, 2021, Craven County had total bonded general obligation debt outstanding of \$3,610,000 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	
	2021	2020	2021	2020	2021	2020
G.O. bonds	\$ 3,610,000	\$ 5,947,000	\$ -	\$ -	\$ 3,610,000	\$ 5,947,000
Installment debt	27,065,000	31,128,150	13,263,651	14,152,715	40,328,651	45,280,865
Total	<u>\$ 30,675,000</u>	<u>\$ 37,075,150</u>	<u>\$ 13,263,651</u>	<u>\$ 14,152,715</u>	<u>\$ 43,938,651</u>	<u>\$ 51,227,865</u>

Craven County's total debt decreased \$7.3 million during the fiscal year, primarily due to the retirement of existing debt principal. The County did not issue any new debt during the year.

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 \$768,815,743.

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 2020 increased by 2.5 percent to 6.6 percent from the previous calendar year 2019. The rate remained steady for most of the year with its lowest point reported at 3.4 percent in February 2020, just before pandemic related public safety restrictions were put into place. As a result of those restrictions, the unemployment rate reached its highest point of 11.5 percent in May 2020. Comparatively, the statewide average unemployment rate for calendar 2020 was 7.3 percent, an increase of 3.4 percent from the previous calendar year 2019. The County ended the fiscal year with an unemployment rate of 4.8 percent for June 2021 which is much closer to pre-pandemic levels.
- Per capita personal income in Craven County increased by 7.8 percent (the latest information available), to \$48,832. The change for the state of North Carolina in 2020 was a 5.5 percent increase and nationally the change was a 6.2 percent increase. The County's per capita income level is 97 percent of the state's average of \$50,305 and 82 percent of the national average of \$59,510. The County ranked 20th out of 100 counties in the state in per capita income, the same position reported for the previous year. The 2010-2020 average annual growth rate of per capita personal income for Craven County was 2.9 percent, while the average annual growth rate for the state was 3.4 percent and 3.9 percent for the nation.
- The local real estate market continues to remain strong despite the pandemic. New home construction increased by 144 percent in 2021 from the previous year with 246 new home starts compared to 144 reported in 2020. Recent sales data shows the number of homes sold in calendar year 2021 increased by 28.9 percent with 2,641 homes sold compared to 2,049 sold in the previous year. The average home sales price in Craven County increased 20.3 percent in calendar year 2021 to \$219,000 from \$182,000 reported for the previous year. Current expectations are that these trends will carry over into next year as the demand for housing is projected to remain strong.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities - The County approved a \$121.1 million General Fund budget for fiscal year 2022, which is an increase of \$5.7 million or 5 percent from the previous year. Estimated assessed property values for fiscal 2022 were \$10.01 billion, a 1.11 percent increase from the \$9.90 billion estimate used for the 2021 budget. The County adopted the ad valorem tax rate of 56.00 cents per \$100 of assessed valuation which reflects 1.06 cents increase from the previous year. The previous tax rate was maintained for the last two fiscal years and was no longer adequate to support the increasing demand on County services and the enhancements to school safety heading into next fiscal year. All revenues were budgeted conservatively with projected increases of 2.6 percent in property tax revenues and 3.0 percent in sales tax receipts.

The County appropriated \$424,561 of fund balance in order to balance the 2022 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 \$4.1 million are included in the 2022 budget. Major capital acquisitions include:

- Information technology projects and improvements \$452,000
- Vehicle purchases in multiple departments \$264,000
- Transportation (CARTS) vehicles \$219,000
- Utility extension project at the Industrial Park \$242,000
- Solid Waste equipment replacements \$103,000
- Maintenance projects and improvements \$902,000
- Sheriff Department vehicles \$714,000
- Sheriff Department equipment \$167,000
- Furniture replacement at Convention Center \$100,000

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 \$28.7 million or 23.72 percent of the fiscal year 2022 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 totaling approximately \$32.3 million or 26.07 percent of budgeted appropriations. Public Safety, the third largest category, totals approximately 22.0 million and makes up 18.18 percent of the total general fund budget. Approximately \$2 million of additional funding was appropriated under this category with the majority going towards the enhancement of school safety in the County. Six additional School Resource Officers including vehicles and equipment totaling \$990 thousand were funded in the 2022 budget and was the primary reason for increasing the tax rate.

Business-type Activities: The County approved a \$4.3 million budget for the operations of the County's water system with no change to water rates for fiscal 2022. In fiscal 2018 the County completed construction on its new \$30.9 million Water Treatment Plant. This facility can process approximately 3 million gallons per day and is readily expandable to 5 million should future demands require it. The 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 rate adjustments in future years should the County decide to move forward with them.

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, 2021

	Primary Government			Component Units			
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Tourism</u> <u>Development</u> <u>Authority</u>	<u>Coastal Carolina</u> <u>Regional Airport</u> <u>Authority</u>	<u>CarolinaEast</u> <u>Health System</u>	<u>Craven County</u> <u>ABC Board</u>
ASSETS							
Cash and cash equivalents	\$ 32,325,657	\$ 8,214,193	\$ 40,539,850	\$ 410,999	\$ 7,589,252	\$ 30,340,885	\$ 3,101,818
Short-term investments	27,954,854	4,997,433	32,952,287	-	-	53,616,746	-
Restricted cash	10,285,062	315,755	10,600,817	-	381,848	-	-
Accounts Receivable (net)	11,028,201	510,795	11,538,996	64,447	1,660,624	62,066,698	-
Taxes Receivable (net)	9,967,449	-	9,967,449	-	-	-	-
Accrued Interest Receivable	87,530	-	87,530	-	-	-	-
Internal Balances	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	12,661,308	617,440
Prepays	33,711	57,447	91,158	-	1,175	9,322,622	34,445
Long-term cash and investments	-	-	-	-	-	327,450,661	-
Other assets	-	-	-	-	-	2,258,734	-
Net pension asset	241,008	-	241,008	-	-	-	-
Capital asset:							
Land and construction in progress	25,661,467	1,719,728	27,381,195	-	25,770,048	20,567,441	721,093
Other capital assets, net of depreciation	45,675,581	37,891,514	83,567,095	-	22,721,588	206,848,440	985,382
Total capital assets	71,337,048	39,611,242	110,948,290	-	48,491,636	227,415,881	1,706,475
Total assets	163,260,520	53,706,865	216,967,385	475,446	58,124,535	725,133,535	5,460,178
DEFERRED OUTFLOWS OF RESOURCES	15,705,312	270,863	15,976,175	-	231,460	2,245,081	233,351
LIABILITIES							
Accounts payable	5,263,131	285,869	5,549,000	14,362	1,049,415	49,070,534	2,199,132
Current maturities of long term obligations	8,189,568	916,838	9,106,406	-	-	1,550,000	-
Accrued salaries and benefits	1,011,222	23,723	1,034,945	-	62,614	17,989,362	-
Accrued interest payable	89,561	1,421	90,982	-	-	-	-
Customer Deposits	-	315,755	315,755	-	-	-	-
Unspent CARES Act / ARP Funds	9,975,062	-	9,975,062	-	-	-	-
Long-term liabilities:							
Due in more than one year	25,787,280	12,409,376	38,196,656	-	-	56,511,318	-
Net pension liability	16,341,706	320,273	16,661,979	-	216,550	-	324,467
Total OPEB liability	18,676,614	313,843	18,990,457	-	287,855	-	-
Total Liabilities	85,334,144	14,587,098	99,921,242	14,362	1,616,434	125,121,214	2,523,599
DEFERRED INFLOWS OF RESOURCES	1,020,273	13,243	1,033,516	-	13,686	937,603	-
NET POSITION							
Net Investments in capital assets	53,731,048	26,347,589	80,078,637	-	48,491,636	171,885,881	1,706,475
Restricted for:							
Stabilization by State Statute	18,944,253	-	18,944,253	64,447	-	-	-
General government	941,549	-	941,549	-	-	-	-
Education	4,836,189	-	4,836,189	-	-	-	-
Human services	140,366	-	140,366	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Public Safety	2,220,443	-	2,220,443	-	-	-	-
Economic and physical development	2,361,658	-	2,361,658	396,637	-	-	-
Other purposes	-	-	-	-	-	1,858,732	434,780
Unrestricted	9,435,909	13,029,798	22,465,707	-	8,234,239	427,575,186	1,028,675
Total net position	\$ 92,611,415	\$ 39,377,387	\$ 131,988,802	\$ 461,084	\$ 56,725,875	\$ 601,319,799	\$ 3,169,930

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-type Activities	Total	Craven County			
								Tourism Development Authority	Regional Airport Authority	CarolinaEast Health System	Craven County ABC Board
Primary Government:											
Governmental:											
General government	\$ 14,737,395	\$ 1,978,362	\$ 10,241,514	\$ -	\$ (2,517,519)	\$ -	\$ (2,517,519)				
Public Safety	29,041,862	3,544,044	3,719,530	-	(21,778,288)	-	(21,778,288)				
Social Services	21,217,884	409,522	12,910,778	209,441	(7,688,143)	-	(7,688,143)				
Economic and physical development	4,701,754	50,225	1,598,984	-	(3,052,545)	-	(3,052,545)				
Environmental protection	7,259,522	3,934,623	159,586	-	(3,165,313)	-	(3,165,313)				
Health	11,306,997	5,223,450	7,656,387	-	1,572,840	-	1,572,840				
Cultural and recreation	2,700,856	235,893	63,819	-	(2,401,144)	-	(2,401,144)				
Education	29,087,523	-	-	1,529,700	(27,557,823)	-	(27,557,823)				
Interest on long-term debt	1,256,730	-	-	-	(1,256,730)	-	(1,256,730)				
Total governmental activities	<u>121,310,523</u>	<u>15,376,119</u>	<u>36,350,598</u>	<u>1,739,141</u>	<u>(67,844,665)</u>	<u>-</u>	<u>(67,844,665)</u>				
Business-type:											
Water	4,201,885	4,290,039	62,864	-	-	151,018	151,018				
Total business-type activities	<u>4,201,885</u>	<u>4,290,039</u>	<u>62,864</u>	<u>-</u>	<u>-</u>	<u>151,018</u>	<u>151,018</u>				
Total primary government	<u>\$ 125,512,408</u>	<u>\$ 19,666,158</u>	<u>\$ 36,413,462</u>	<u>\$ 1,739,141</u>	<u>\$ (67,844,665)</u>	<u>\$ 151,018</u>	<u>\$ (67,693,647)</u>				
Component units:											
Tourism Development Authority	\$ 605,143	\$ 554,245	\$ 17,000	\$ -				\$ (33,898)	\$ -	\$ -	\$ -
Coastal Carolina Regional Airport Authority	4,010,316	1,537,054	4,629,158	4,956,255				-	7,112,151	-	-
CarolinaEast Health System	433,240,871	417,836,767	16,250,459	-				-	-	846,355	-
Craven County ABC Board	11,299,620	11,304,285	-	-				-	-	-	4,665
Total component units	<u>\$ 449,155,950</u>	<u>\$ 431,232,351</u>	<u>\$ 20,896,617</u>	<u>\$ 4,956,255</u>				<u>\$ (33,898)</u>	<u>\$ 7,112,151</u>	<u>\$ 846,355</u>	<u>\$ 4,665</u>
General Revenues:											
Taxes:											
Property taxes, levied for general purposes					57,394,807	-	57,394,807	-	-	-	-
Local option sales tax					22,920,189	-	22,920,189	-	-	-	-
Other taxes					3,455,991	-	3,455,991	-	-	-	-
Investment earnings, unrestricted					12,964	12,454	25,418	-	3,932	34,541,688	(4,665)
Miscellaneous, unrestricted					1,349,679	-	1,349,679	3,116	18,083	10,099,721	-
Transfers					130,000	(130,000)	-	-	-	-	-
Total general revenues and transfers					<u>85,263,630</u>	<u>(117,546)</u>	<u>85,146,084</u>	<u>3,116</u>	<u>22,015</u>	<u>44,641,409</u>	<u>(4,665)</u>
Change in net position					<u>17,418,966</u>	<u>33,472</u>	<u>17,452,438</u>	<u>(30,782)</u>	<u>7,134,166</u>	<u>45,487,764</u>	<u>-</u>
Net position, beginning, as previously reported					<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>
Prior period restatement - change in accounting principle					<u>97,793</u>	<u>-</u>	<u>97,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning, as restated					<u>75,192,449</u>	<u>39,343,915</u>	<u>114,536,364</u>	<u>491,866</u>	<u>49,591,709</u>	<u>555,832,035</u>	<u>3,169,930</u>
Net position, ending					<u>\$ 92,611,415</u>	<u>\$ 39,377,387</u>	<u>\$ 131,988,802</u>	<u>\$ 461,084</u>	<u>\$ 56,725,875</u>	<u>\$ 601,319,799</u>	<u>\$ 3,169,930</u>

CRAVEN COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Capital Reserve Fund	Grant Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 10,438,996	\$ 9,818,385	\$ 195,638	\$ 7,090,226	\$ 27,543,245
Short-term investments	27,954,854	-	-	-	27,954,854
Restricted cash	9,975,062	-	-	310,000	10,285,062
Taxes receivable	7,976,346	-	-	1,991,103	9,967,449
Accounts receivable	7,261,734	-	1,936,164	1,773,648	10,971,546
Due from other funds	2,086,355	-	-	-	2,086,355
Prepays	21,711	-	-	-	21,711
Total Assets	<u>\$ 65,715,058</u>	<u>\$ 9,818,385</u>	<u>\$ 2,131,802</u>	<u>\$ 11,164,977</u>	<u>\$ 88,830,222</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,543,913	\$ -	\$ 766,074	\$ 102,864	\$ 4,412,851
Accrued salaries and benefits	1,011,222	-	-	-	1,011,222
Due to other funds	-	-	1,883,169	203,186	2,086,355
Unspent CARES Act / ARP Funds	9,975,062	-	-	-	9,975,062
Total liabilities	<u>14,530,197</u>	<u>-</u>	<u>2,649,243</u>	<u>306,050</u>	<u>17,485,490</u>
Deferred inflows of resources	<u>1,103,910</u>	<u>-</u>	<u>-</u>	<u>47,030</u>	<u>1,150,940</u>
Fund Balances:					
Non spendable					
Prepays	21,711	-	-	-	21,711
Restricted:					
Stabilization by State Statute	16,454,141	-	1,936,164	553,948	18,944,253
General Government	-	-	-	941,549	941,549
Human Services	-	-	-	140,366	140,366
Public Safety	15,739	-	-	2,204,704	2,220,443
Economic and physical development	-	-	-	2,361,658	2,361,658
Education, schools	-	-	-	4,836,189	4,836,189
Committed:					
Capital Projects	-	9,818,385	-	-	9,818,385
Assigned:					
For subsequent year's expenditures	424,561	-	-	-	424,561
Unassigned	33,164,799	-	(2,453,605)	(226,517)	30,484,677
Total fund balances	<u>50,080,951</u>	<u>9,818,385</u>	<u>(517,441)</u>	<u>10,811,897</u>	<u>70,193,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,715,058</u>	<u>\$ 9,818,385</u>	<u>\$ 2,131,802</u>	<u>\$ 11,164,977</u>	<u>\$ 88,830,222</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, 2021

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

Total fund balance Governmental Funds	\$ 70,193,792
Charges relating to advance refunding debt issue	2,064,952
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	71,337,048
Register of Deeds Net Pension Asset	241,008
Contributions to pension plans in the current fiscal year are deferred outflows or resources in the Statement of Net Position	2,982,191
Benefit payments and pension administration costs for LEOSA paid in the current year are deferred outflows of resources in the Statement of Net Position	68,479
Contributions and pension administration costs for OPEB are deferred outflows of resources in the Statement of Net Position	906,623
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)	(14,030,606)
Total pension liability (LEOSA)	(2,311,100)
Total OPEB liability	(18,676,614)
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.	4,000,787
Amounts reported in the fund statements as deferred inflows of resources for tax and fee receivables.	917,325
Pension related deferrals	5,934,881
OPEB related deferrals	2,961,528
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(34,066,409)
Net position of governmental activities:	<u><u>\$ 92,611,415</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, 2021

	General	Capital Reserve Fund	Grant Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 55,350,382	\$ -	\$ -	\$ 2,472,066	\$ 57,822,448
Sales	21,822,193	-	-	1,097,996	22,920,189
Tourism Room	-	-	-	1,597,678	1,597,678
Intergovernmental	33,074,860	-	2,326,492	2,701,151	38,102,503
Charges for services	16,896,108	-	-	-	16,896,108
Interest	(1,033)	10,263	-	3,734	12,964
County Appropriation	-	-	-	310,000	310,000
Miscellaneous	1,358,655	-	2,684	12,124	1,373,463
Total revenues	<u>128,501,165</u>	<u>10,263</u>	<u>2,329,176</u>	<u>8,194,749</u>	<u>139,035,353</u>
EXPENDITURES					
Current:					
General government	17,052,034	-	-	1,866,383	18,918,417
Public Safety	20,796,895	-	2,298,800	3,526,269	26,621,964
Environmental protection	7,241,021	-	-	-	7,241,021
Economic and physical development	2,577,985	-	430,771	4,186,097	7,194,853
Health	10,616,068	-	-	-	10,616,068
Social services	19,525,187	-	-	411,967	19,937,154
Culture and recreation	3,173,640	-	-	-	3,173,640
Education	28,798,446	-	102,272	186,805	29,087,523
Debt service:					-
Principal	2,497,000	-	-	3,903,150	6,400,150
Interest	439,200	-	-	337,240	776,440
Total expenditures	<u>112,717,476</u>	<u>-</u>	<u>2,831,843</u>	<u>14,417,911</u>	<u>129,967,230</u>
Excess of revenues over (under) expenditures	<u>15,783,689</u>	<u>10,263</u>	<u>(502,667)</u>	<u>(6,223,162)</u>	<u>9,068,123</u>
OTHER FINANCING SOURCES					
Transfers in	1,276,500	-	20,584	6,187,291	7,484,375
Transfers out	(6,275,875)	(193,500)	-	(935,000)	(7,404,375)
Total other financing sources (uses)	<u>(4,999,375)</u>	<u>(193,500)</u>	<u>20,584</u>	<u>5,252,291</u>	<u>80,000</u>
Net change in fund balances	10,784,314	(183,237)	(482,083)	(970,871)	9,148,123
FUND BALANCES					
Fund balance, beginning, as previously reported	39,296,637	10,001,622	(35,358)	11,684,975	60,947,876
Prior Period Restatement - change in accounting principle	-	-	-	97,793	97,793
Fund balance, beginning, as restated	<u>39,296,637</u>	<u>10,001,622</u>	<u>(35,358)</u>	<u>11,782,768</u>	<u>61,045,669</u>
Fund balance, ending	<u>\$ 50,080,951</u>	<u>\$ 9,818,385</u>	<u>\$ (517,441)</u>	<u>\$ 10,811,897</u>	<u>\$ 70,193,792</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, 2021

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

Net Change in fund balances - total government funds	\$ 9,148,123
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.	5,636,616
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(189,790)
The contributions to the pension plans in the current fiscal year are not included in the Statement of Activities	2,982,191
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	68,479
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	906,623
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(435,864)
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.	6,400,150
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.	(7,848,233)
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.	<u>750,671</u>
Change in net position of governmental activities	<u><u>\$ 17,418,966</u></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 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 54,658,744	\$54,695,744	\$ 55,350,382	\$ 654,638
Sales	16,875,548	17,955,548	21,822,193	3,866,645
Intergovernmental	21,493,605	28,524,233	33,074,860	4,550,627
Charges for services	16,007,155	16,916,836	16,896,108	(20,728)
Interest	700,275	700,275	(1,033)	(701,308)
Miscellaneous	489,435	525,202	1,358,655	833,453
Total revenues	<u>110,224,762</u>	<u>119,317,838</u>	<u>128,501,165</u>	<u>9,183,327</u>
EXPENDITURES				
General government	15,164,782	18,706,111	17,052,034	1,654,077
Public Safety	19,919,259	21,798,271	20,796,895	1,001,376
Environmental protection	7,289,457	7,499,047	7,241,021	258,026
Economic and physical development	2,858,864	2,999,999	2,577,985	422,014
Health	10,389,392	12,581,389	10,616,068	1,965,321
Social services	21,430,669	22,760,225	19,525,187	3,235,038
Culture and recreation	2,705,359	3,408,257	3,173,640	234,617
Education - schools	28,427,258	28,839,258	28,798,446	40,812
Debt Service:				
Principal	2,497,000	2,497,000	2,497,000	-
Interest	440,870	440,870	439,200	1,670
Bond issuance cost	-	-	-	-
Total debt service	<u>2,937,870</u>	<u>2,937,870</u>	<u>2,936,200</u>	<u>1,670</u>
Total expenditures	<u>111,122,910</u>	<u>121,530,427</u>	<u>112,717,476</u>	<u>8,812,951</u>
Excess of revenues over expenditures	<u>(898,148)</u>	<u>(2,212,589)</u>	<u>15,783,689</u>	<u>17,996,278</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	3,785,310	3,861,310	1,276,500	(2,584,810)
Transfer out	(4,303,456)	(6,303,423)	(6,275,875)	27,548
Total other financing sources (uses)	<u>(518,146)</u>	<u>(2,442,113)</u>	<u>(4,999,375)</u>	<u>(2,557,262)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(1,416,294)</u>	<u>(4,654,702)</u>	<u>10,784,314</u>	<u>15,439,016</u>
Appropriated fund balance	<u>1,416,294</u>	<u>4,654,702</u>	<u>-</u>	<u>(4,654,702)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>10,784,314</u>	<u>\$ 10,784,314</u>
Fund balance, beginning, as previously reported			39,296,637	
Prior Period Restatement - change in accounting principle			-	
Fund balance, beginning, as restated			<u>39,296,637</u>	
Fund balance, ending			<u>\$ 50,080,951</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, 2021

	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	\$ 8,214,193	\$ -	\$ -	\$ 8,214,193	\$ 4,782,412
Short-term investments	4,997,433	-	-	4,997,433	-
Accounts receivable, net of allowance for doubtful accounts	510,795	-	-	510,795	56,655
Prepays	57,447	-	-	57,447	12,000
Capital lease receivable-current	-	80,115	(80,115)	-	-
Total current assets	13,779,868	80,115	(80,115)	13,779,868	4,851,067
Noncurrent Assets:					
Restricted cash and cash equivalents	315,755	-	-	315,755	-
Capital Lease receivable-noncurrent	-	240,342	(240,342)	-	-
Capital assets:					
Land	947,354	-	-	947,354	-
Construction in process	772,374	-	-	772,374	-
Improvements other than buildings	30,153,431	-	-	30,153,431	-
Buildings	30,695,648	-	-	30,695,648	-
Machinery and equipment	581,058	-	-	581,058	-
Less accumulated depreciation	(23,538,623)	-	-	(23,538,623)	-
Total capital assets (net of accumulated depreciation)	39,611,242	-	-	39,611,242	-
Total noncurrent assets	39,926,997	240,342	(240,342)	39,926,997	-
Total assets	53,706,865	320,457	(320,457)	53,706,865	4,851,067
DEFERRED OUTFLOWS OF RESOURCES	270,863	-	-	270,863	-
LIABILITIES					
Current Liabilities					
Accounts payable	285,869	-	-	285,869	850,280
Accrued salaries and benefits	23,723	-	-	23,723	-
Accrued interest payable	1,421	-	-	1,421	-
Customer deposit payable	315,755	-	-	315,755	-
Compensated absences liability - current	27,774	-	-	27,774	-
Installment notes payable - current	808,949	80,115	-	889,064	-
Obligations under capital assets lease - current	80,115	-	(80,115)	-	-
Total current liabilities	1,543,606	80,115	(80,115)	1,543,606	850,280
Noncurrent liabilities					
Compensated absences liability	34,787	-	-	34,787	-
Net pension liability	320,273	-	-	320,273	-
Total OPEB Liability	313,843	-	-	313,843	-
Installment notes payable	12,134,247	240,342	-	12,374,589	-
Obligations under capital lease	240,342	-	(240,342)	-	-
Total noncurrent liabilities	13,043,492	240,342	(240,342)	13,043,492	-
Total Liabilities	14,587,098	320,457	(320,457)	14,587,098	850,280
DEFERRED INFLOWS OF RESOURCES	13,243	-	-	13,243	-
NET POSITION					
Net Investment in capital assets	26,347,589	-	-	26,347,589	-
Unrestricted	13,029,798	-	-	13,029,798	4,000,787
Total net position	\$ 39,377,387	\$ -	\$ -	\$ 39,377,387	\$ 4,000,787

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 Year Ended June 30, 2021

	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	\$ 4,205,475	\$ -	\$ 4,205,475	\$ 6,925,326
Miscellaneous	84,564	-	84,564	196,520
Total operating revenues	4,290,039	-	4,290,039	7,121,846
OPERATING EXPENSES				
Cost of services	2,510,919	-	2,510,919	6,423,737
Depreciation and amortization	1,680,666	-	1,680,666	-
Total operating expenses	4,191,585	-	4,191,585	6,423,737
Operating income/(loss)	98,454	-	98,454	698,109
NONOPERATING REVENUES				
(EXPENSES)				
Interest income	12,454	-	12,454	2,562
FEMA Grant	62,864	-	62,864	-
Interest expense	-	(10,300)	(10,300)	-
Total net nonoperating revenues				
(expenses)	75,318	(10,300)	65,018	2,562
Income (loss) before transfers	173,772	(10,300)	163,472	700,671
Transfers in	18,000	10,300	28,300	50,000
Transfers out	(158,300)	-	(158,300)	-
Total transfers in (out)	(140,300)	10,300	(130,000)	50,000
Change in net position	33,472	-	33,472	750,671
Net position, beginning	39,343,915	-	39,343,915	3,250,116
Net position, ending	\$ 39,377,387	\$ -	\$ 39,377,387	\$ 4,000,787

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 Year Ended June 30, 2021

	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	\$ 4,275,779	\$ -	\$ 4,275,779	\$ 7,117,813
Payments to customers and suppliers	(1,389,038)	-	(1,389,038)	(5,934,650)
Payments to employees	(975,944)	-	(975,944)	
Net cash provided by (used in) operating activities	<u>1,910,797</u>	<u>-</u>	<u>1,910,797</u>	<u>1,183,163</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions & construction of capital assets	(660,840)	-	(660,840)	-
Repayment of installment notes and bonds	(808,950)	-	(808,950)	-
Payments on obligations under capital lease payable	-	(80,114)	(80,114)	-
Interest paid	-	(10,655)	(10,655)	-
Capital contributions - grant	62,864	-	62,864	-
Net cash used in capital and related financing activities	<u>(1,406,926)</u>	<u>(90,769)</u>	<u>(1,497,695)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	18,000	90,769	108,769	50,000
Transfer out	(238,769)	-	(238,769)	-
Net cash provided by (used in) noncapital financing activities	<u>(220,769)</u>	<u>90,769</u>	<u>(130,000)</u>	<u>50,000</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on cash and investments	12,454	-	12,454	2,562
Net cash provided by investing activities	<u>12,454</u>	<u>-</u>	<u>12,454</u>	<u>2,562</u>
Net increase (decrease) in cash and cash equivalents	295,556	-	295,556	1,235,725
CASH AND CASH EQUIVALENTS*				
Beginning*	13,231,825	-	13,231,825	3,546,687
Ending*	<u>\$ 13,527,381</u>	<u>\$ -</u>	<u>\$ 13,527,381</u>	<u>\$ 4,782,412</u>

* Includes short-term investments

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 Year Ended June 30, 2021

	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)	\$ 98,454	\$ -	\$ 98,454	\$ 698,109
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,680,666	-	1,680,666	-
Change in assets, liabilities, and deferred inflows and outflows:				
(Increase) decrease in accounts receivable	(24,050)	-	(24,050)	(4,033)
(Increase) decrease in prepaids	(12,646)	-	(12,646)	-
(Increase) decrease in deferred outflows of resources - pension	(46,805)	-	(46,805)	-
(Increase) decrease in deferred outflows of resources - OPEB	(35,006)	-	(35,006)	-
Increase (decrease) in accounts payable	38,541	-	38,541	489,087
Increase (decrease) in accrued payroll	17,845	-	17,845	-
Increase (decrease) in customer deposits	9,790	-	9,790	-
Increase (decrease) in compensated absences	19,386	-	19,386	-
Increase (decrease) in net pension liability	95,201	-	95,201	-
Increase (decrease) in total OPEB liability	66,861	-	66,861	-
Increase (decrease) in deferred inflows of resources - pension	-	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	2,560	-	2,560	-
Net cash provided by (used in) operating activities	<u>\$ 1,910,797</u>	<u>\$ -</u>	<u>\$ 1,910,797</u>	<u>\$ 1,183,163</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF FIDICIARY NET POSITION
FIDICIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Fund
ASSETS	
Cash and investments	\$ 46,312
Taxes receivable for other governments, net	<u>220,237</u>
Total Assets	<u>266,549</u>
LIABILITIES	
Accounts payable	-
Due to other governments	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>266,549</u>
Total fiduciary net position	<u><u>\$ 266,549</u></u>

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 21,732,540
Collections on behalf of inmates	949,711
Total additions	<u>22,682,251</u>
DEDUCTIONS	
Tax distributions to other governments	21,782,796
Payments on behalf of inmates	975,901
Total deductions	<u>22,758,697</u>
Net increase (decrease) in fiduciary net position	(76,446)
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	342,995
Net position, beginning, as restated	<u>342,995</u>
Net position, ending	<u><u>\$ 266,549</u></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, 2020 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, 2021 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:

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

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.

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.

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

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.

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.

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-stabilization to forty-two individual sites, and fund an emergency capital need for the Board of Education.

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:

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

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.

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

Measurement Focus, Basis of Accounting (continued)

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.

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.

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

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, 20120 and the budget as amended at June 30, 2021.

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.

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

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 and AAmf by Moody Investor Services. The Government Portfolio is 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.

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.

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

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 funds for School Capital Projects and unspent grant proceeds are shown as restricted. Customer deposits held in the Water Fund 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 CashGovernmental Activities

School Capital Projects Fund	Unexpended Public School Building funds	\$ 310,000
General Fund	Unspent grant proceeds	9,975,062
Total Governmental Activities		<u>\$ 10,285,062</u>

Business-Type Activities

Water Fund	Customer Deposits	\$ 315,755
Total Business-Type Activities		<u>\$ 315,755</u>

Total Restricted Cash		<u><u>\$ 10,600,817</u></u>
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Component Units

Coastal Carolina Regional Airport	State Aid to Airport Funds Appropriated	<u>\$ 381,848</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, 2020.

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, 2021:

Water Fund receivables allowance	\$ 28,304
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Component Unit - CarolinaEast Health System

Patient receivables allowance (at September 30, 2020)	\$ 21,702,097
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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.

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.

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

Prepaid Items. Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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:

2021	\$ 518,424
2022	518,424
2023	487,358
2024	38,762
2025	-
Thereafter	-
	<u>\$ 1,562,968</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 nonspendable fund balances as of June 30, 2021:

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 general government: Portion of fund balance that is restricted by revenue source for the ERO Software Project and the Courthouse/EOC Recovery Project.

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

Restricted for human services: Portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

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 available for appropriation:

Total Fund Balance - General Fund	\$ 50,080,951
Less:	
Prepays	21,711
Stabilization by State Statute	16,454,141
General Government	-
Public Safety	15,739
Economic and physical development	-
Education, schools	-
Committed for capital projects	-
Appropriated Fund Balance in 2022 Budget	424,561
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	33,164,799

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 (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). 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)	\$ 133,876,336
Less accumulated depreciation	(62,539,288)
Net capital assets	71,337,048
Net pension asset	241,008
Contributions to the pension plan in the current fiscal year	2,982,191
Benefit payments and pension administration costs for LEOSA	68,479
Contributions to OPEB plan in the current fiscal year	906,623
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	2,064,952
Deferred inflows of resources reported in the fund financial statements but not the government-wide statements	917,325
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	4,000,787
Pension related deferrals	5,934,881
OPEB related deferrals	2,961,528
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	(27,065,000)
General obligation bonds	(3,610,000)
Accrued interest payable	(89,561)
Total OPEB Liability	(18,676,614)
Compensated absences	(3,301,848)
Net pension obligation (LEOSA)	(2,311,100)
Net pension obligation (LGERS)	(14,030,606)
Total Adjustment	\$ 22,417,623

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 \$8,270,843 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 10,401,818
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	(4,765,202)
Cost of disposed capital asset not recorded in fund statements.	(189,790)
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	6,400,150
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,982,191
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	68,479
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	906,623
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	(340,724)
OPEB expense	(1,745,340)
Pension expense	(5,281,879)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	15,236
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.	(435,864)
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	750,671
Total adjustment	<u><u>\$ 8,270,843</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, 2021, 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	\$ 6,413,065	\$ 7,619,065	\$ 7,706,379	\$ 87,314
Distributions	1,016,407	1,293,883	1,633,915	340,032

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, 2021, the County's (primary government) deposits had a carrying amount of \$51,173,857, and a bank balance of \$53,263,141. Of the bank balance, \$250,000 was covered by federal depository insurance and \$53,013,141 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, 2021, Craven County had \$13,122 cash on hand.

Component Unit Information

At June 30, 2021, the Tourism Development Authority had a carrying amount of \$410,999 and a bank balance of deposits of \$418,925. Of the bank balance, \$250,000 was covered by federal depository insurance and \$168,925 was covered by collateral held under the pooling method.

At June 30, 2021, the Airport Authority had a carrying amount of \$7,971,100 and a bank balance of deposits of \$8,031,664. 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, 2021, the ABC Board had \$11,400 in cash on hand, and deposits in financial institutions with a carrying amount of \$1,524,418 and a bank balance of \$1,475,350. Of the bank balance, \$500,000 was covered by federal depository insurance and \$975,350 was covered by collateral held under the pooling method.

At September 30, 2020, the carrying amount of deposits for the Health System was \$30,112,307 and the bank balance was \$31,136,132. Of the bank balance, \$500,000 was covered by federal depository insurance and \$31,136,132 was covered by collateral held under the pooling method. Cash and cash equivalents consist of the following as of September 30, 2020:

Cash on hand	\$	10,539
Deposits		30,112,307
Mutual fund money markets		218,039
	\$	<u>30,340,885</u>

2. Investments

As of June 30, 2021 the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Reported Value	Less Than Six Months	6-12 Months	1-3 Years
NC Capital Management Trust, Government Portfolio	Fair Value- Level 1	\$ 17,980,743	\$ 17,980,743	\$ -	\$ -
Wells Fargo Securities Commercial paper	Fair Value- Level 2	9,990,017	9,990,017	-	-
Federal Home Loan Bank	Fair Value- Level 2	4,981,527	-	-	4,981,527
		<u>\$ 32,952,287</u>	<u>\$ 27,970,760</u>	<u>\$ -</u>	<u>\$ 4,981,527</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Inventory Services.

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, 2021. 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.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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.

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	\$ 45,487	N/A
Vanguard Bond Mutual Funds-Corp	69,700	N/A
Equity Securities and Mutual Funds	242,053	N/A
Short Term Cash Equivalents	211	N/A
NC Capital Management Trust	23,616	N/A
Bond Proceeds	-	N/A
	<u>\$ 381,067</u>	

The above table does not include \$218,039 which is included in unrestricted cash and cash equivalents.

	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Fair Value at 9/30/20
Assets:				
Mutual funds:				
Money market	\$ 211,236	\$ -	\$ -	\$ 211,236
Fixed income	115,010,963	-	-	115,010,963
Equity	242,053,218	-	-	242,053,218
Total assets at fair value	<u>\$ 357,275,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,275,417</u>
Liability				
Interest rate swap	<u>\$ -</u>	<u>\$ (2,531,318)</u>	<u>\$ -</u>	<u>\$ (2,531,318)</u>

Cash and cash equivalents as of 9/30/2020 not included above \$ 30,122,849

North Carolina Management Capital Trust - cash portfolio as of 9/30/20 carried at amortized cost. \$ 23,834,325

Interest receivable as of 9/30/2020 not included above \$ 175,704

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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 2020. There were no changes during 2020 to the System's valuation technique used to measure asset and liability fair values on a recurring basis.

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 Ginnie 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, 2020, 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
AAA	100.00%	12.27%		100.00%	100.00%
AA		9.15%			
A		35.73%			
BBB		38.61%			
BB		0.97%			
B		0.15%			
Caa		0.00%			
Not Rated		3.12%			
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.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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.

As of June 30, 2021 the ABC Board had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value at 6/30/21	Maturity	Rating
US Government Treasuries	Fair Value-Level 1	\$ 1,288,256	Up to 3 years	AAA
NC Capital Management Trust Government FD #47	Fair Value-Level 1	277,744	Up to 3 years	AAA
		<u>\$ 1,566,000</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
2018	\$ 1,320,550	\$ 432,571	\$ 1,753,121
2019	1,305,081	309,994	1,615,075
2020	1,355,169	199,887	1,555,056
2021	1,348,736	77,552	1,426,288
Total	<u>\$ 5,329,536</u>	<u>\$ 1,020,004</u>	<u>\$ 6,349,540</u>

Note 4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts Receivable	Taxes Receivable	Interest Receivable	Total
Governmental Activities				
General	\$ 7,261,735	\$ 8,676,346	\$ 87,530	\$ 16,025,611
Other Governmental	3,766,466	1,991,103	-	5,757,569
Total Receivables	11,028,201	10,667,449	87,530	21,783,180
Allowance for Doubtful Accounts	-	(700,000)	-	(700,000)
Total - governmental activities	<u>\$ 11,028,201</u>	<u>\$ 9,967,449</u>	<u>\$ 87,530</u>	<u>\$ 21,083,180</u>
Business-type activities				
Water	\$ 450,130	\$ 88,969	\$ -	\$ 539,099
Allowance for doubtful accounts	(28,304)	-	-	(28,304)
Total - business-type activities	<u>\$ 421,826</u>	<u>\$ 88,969</u>	<u>\$ -</u>	<u>\$ 510,795</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, 2021 was as follows:

	Capital Assets June 30, 2020	Additions	Retirements	Capital Assets June 30, 2021
Governmental Activities				
Capital assets, not being depreciated				
Land, other	\$ 10,041,280	\$ 667,522	\$ 68,430	\$ 10,640,372
Construction in progress	9,866,745	5,154,350	-	15,021,095
Total capital assets not being depreciated	19,908,025	5,821,872	68,430	25,661,467
Capital assets, being depreciated				
Buildings	66,937,661	599,430	-	67,537,091
Vehicles	7,128,002	1,552,585	454,382	8,226,205
Equipment	9,061,590	474,671	189,639	9,346,622
Other improvements	21,151,691	1,953,260	-	23,104,951
Total capital assets being depreciated	104,278,944	4,579,946	644,021	108,214,869
Less accumulated depreciation for:				
Buildings	37,334,540	2,085,110	-	39,419,650
Vehicles	5,118,261	945,312	372,077	5,691,496
Equipment	5,976,848	662,106	150,584	6,488,370
Other Improvements	9,867,098	1,072,674	-	10,939,772
Total accumulated depreciation	58,296,747	\$ 4,765,202	\$ 522,661	62,539,288
Total capital assets, being depreciated, net	45,982,197			45,675,581
Governmental activity capital assets, net	<u>\$ 65,890,222</u>			<u>\$ 71,337,048</u>

Note 5. Capital Assets (continued)

Business-type Activities

Capital assets, not being depreciated				
Land, other	\$ 947,354	\$ -	\$ -	\$ 947,354
Construction in process	181,804	590,570	-	772,374
Total capital assets not being depreciated	1,129,158	590,570	-	1,719,728
Capital assets, being depreciated				
Buildings & other improvements	60,813,034	36,046	-	60,849,080
Vehicles	321,692	23,628	3,000	342,320
Equipment	198,887	40,000	-	238,887
Total capital assets being depreciated	61,333,613	99,674	3,000	61,430,287
Less accumulated depreciation for:				
Buildings & other improvements	21,484,789	1,630,734	-	23,115,523
Vehicles	208,309	45,962	3,000	251,271
Equipment	168,009	3,970	-	171,979
Total accumulated depreciation	21,861,107	\$ 1,680,666	\$ 3,000	23,538,773
Total capital assets, being depreciated, net	39,472,506			37,891,514
Business activity capital assets, net	\$ 40,601,664			\$ 39,611,242

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

Governmental activities:

General government	\$ 1,339,043
Public Safety	1,364,949
Social services	201,293
Economic and physical development	665,217
Health	525,164
Environmental protection	310,381
Culture and recreation	359,155
Total depreciation expense, governmental activities	<u>\$ 4,765,202</u>

Business-type activities:

Water Fund	\$ 1,680,666
Total depreciation expense-business-type activities	<u>\$ 1,680,666</u>

The government has an active construction project as of June 30, 2021. At June 30, 2021, the government's commitment with a contractor is as follows:

Project	Spent-to-date	Remaining Commitment
Convention Center	\$ 10,210,531	\$ -
Courthouse Restoration Project	1,747,444	199,046
Creekside Park Maintenance	516,898	-
Total	<u>\$ 12,474,873</u>	<u>\$ 199,046</u>

Note 5. Capital Assets (continued)
Discretely presented component units

The following is a summary of the capital assets of the Airport Authority at June 30, 2021.

	Year Ended June 30, 2021			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 9,649,508	\$ 281,483	\$ -	\$ 9,930,991
Construction in progress	11,128,468	5,567,309	(856,720)	15,839,057
Total capital assets, not being depreciated	20,777,976	5,848,792	(856,720)	25,770,048
Capital assets, being depreciated				
Buildings	9,450,092	940,487	-	10,390,579
Improvements other than buildings	33,227,019	42,745	-	33,269,764
Machinery, equipment, and vehicles	2,282,188	78,817	-	2,361,005
Total capital assets being depreciated	44,959,299	1,062,049	-	46,021,348
Less accumulated depreciation	22,004,519	1,295,241	-	23,299,760
Total capital assets being depreciated, net	22,954,780	\$ (233,192)	\$ -	22,721,588
Capital assets, net	<u>\$ 43,732,756</u>			<u>\$ 48,491,636</u>

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, 2020:

	Year Ended September 30, 2020			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 10,204,876	\$ -	\$ (8,890)	\$ 10,195,986
Construction in progress	51,105,473	22,619,524	(63,353,542)	10,371,455
Total capital assets, not being depreciated	61,310,349	22,619,524	(63,362,432)	20,567,441
Capital assets, being depreciated/amortized				
Land improvements	6,884,271	188,349	-	7,072,620
Building and fixtures	218,732,722	58,160,548	-	276,893,270
Equipment	219,083,171	20,337,834	(14,336,342)	225,084,663
Total capital assets being depreciated	444,700,164	78,686,731	(14,336,342)	509,050,553
Less accumulated depreciation/amortization for:				
Land Improvements, buildings and fixtures				
and equipment	(292,634,550)	(23,689,147)	14,121,584	(302,202,113)
	(292,634,550)	\$ (23,689,147)	\$ 14,121,584	(302,202,113)
Total capital assets being depreciated/amortized, net	152,065,614			206,848,440
Health System capital assets, net	<u>\$ 213,375,963</u>			<u>\$ 227,415,881</u>

Note 5. Capital Assets (continued)

All depreciation is directly or indirectly in relation to the provision of healthcare services. Depreciation expense was approximately \$23,689,000 for the year ended September 30, 2020. The Health System has various renovation projects in progress at September 30, 2020. The estimated cost to complete the projects is approximately \$11,887,000. Interest expense capitalized was \$26,990 for the year ended September 30, 2020.

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, 2021:

Capital assets, not being depreciated	
Land	\$ 473,830
Construction in progress	247,263
Total capital assets not being depreciated	<u>721,093</u>
Capital assets, being depreciated:	
Buildings	1,592,876
Furniture & Equipment	684,494
Automobile	127,274
Total capital assets being depreciated	<u>2,404,644</u>
Less accumulated depreciation	<u>1,419,262</u>
Total capital assets being depreciated, net	<u>985,382</u>
Capital assets, net	<u>\$ 1,706,475</u>

Note 6. Pension Plan and Other Postemployment Benefits**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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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.

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

Local Governmental Employees' Retirement System (Continued)

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.

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, 2021, are as follows:

	Employees Not Engaged In Law Enforcement	Employees Engaged In Law Enforcement
Craven County	10.21%	10.84%
Airport Authority	10.40%	
ABC Board	10.30%	

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 \$3,038,004, \$60,438, and \$81,332, respectively, for the year ended June 30, 2021.

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, 2021, the County, Airport Authority and ABC Board reported liabilities of \$14,350,879, \$216,550 and \$324,467, respectively, for their proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2020. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The 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, 2021, the County, Airport Authority and ABC Board's proportions were .4016%, 1.0516% and .0091% (measured as of June 30, 2020), respectively, which were increases/(decreases) of .0310%, .0007%, and (.0014%), respectively (measured as of June 30, 2019).

For the year ended June 30, 2020, the County, Airport Authority and ABC Board's recognized pension expense of \$5,188,953, \$87,093 and \$131,138, respectively.

Note 6. Pension Plan and Other Postemployment Benefits (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, 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	\$ 1,812,264	\$ -
Changes in assumption	1,067,987	-
Net difference between projected and actual earnings on pension plan investments	2,019,502	-
Changes in proportion and differences between County contributions and proportionate share of contributions	680,627	-
County contributions subsequent to the measurement date	3,038,004	-
Total	<u>\$ 8,618,384</u>	<u>\$ -</u>

At June 30, 2021, 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	\$ 27,346	\$ -
Changes in assumptions	16,116	-
Net difference between projected and actual earnings on pension plan investments	30,473	-
Changes in proportion and differences between Airport Authority's contributions and proportionate share of contributions	24,783	1,000
Airport Authority's contributions subsequent to the measurement date	60,438	-
Total	<u>\$ 159,156</u>	<u>\$ 1,000</u>

At June 30, 2021, 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	\$ 40,974	\$ -
Changes in assumptions	24,147	-
Net difference between projected and actual earnings on pension plan investments	45,660	-
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	41,238	-
ABC Board's contributions subsequent to the measurement date	81,332	-
Total	<u>\$ 233,351</u>	<u>\$ -</u>

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

\$3,038,004, \$60,438, and \$81,332 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, 2022. 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
2022	\$ 1,633,027	\$ 30,956	\$ 48,219
2023	2,065,700	36,264	54,437
2024	1,283,985	21,480	35,849
2025	597,668	9,018	13,514
2026	-	-	-
Thereafter	-	-	-
Total	<u>\$ 5,580,380</u>	<u>\$ 97,718</u>	<u>\$ 152,019</u>

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

Inflation	3.0 percent
Salary Increases	3.50 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, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

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

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)	\$ 29,116,369	\$ 14,350,879	\$ 2,079,718
Airport Authority's proportionate share of the net pension liability (asset)	\$ 439,356	\$ 216,550	\$ 31,382
ABC Board's proportionate share of the net pension liability (asset)	\$ 658,308	\$ 324,467	\$ 47,022

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

Note 6. Pension Plan and Other Postemployment Benefits (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, 2020 the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	83
Total	<u>93</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, 2019 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	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	1.93 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Beneficiary): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

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

Law Enforcement Officers Special Separation Allowance (Continued)

Summary of Significant Accounting Policies (Continued)

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

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 \$142,121 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, 2021, the County reported a total pension liability of \$2,311,100. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$203,052.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,625	\$ 176,592
Changes of assumptions and other inputs	582,909	28,980
County benefit payments and plan administrative expenses subsequent to the measurement date	68,479	-
Total	<u>\$ 798,013</u>	<u>\$ 205,572</u>

The County paid \$68,479 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, 2022. 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:

2022	\$ 119,892
2023	110,693
2024	127,574
2025	99,114
2026	66,689
Thereafter	-
Total	<u>\$ 523,962</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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 2,512,974	\$ 2,311,100	\$ 2,127,568

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

Law Enforcement Officers Special Separation Allowance (Continued)

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

	2021
Beginning balance	\$ 1,800,412
Service Cost	96,688
Interest on the total pension liability	56,377
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	(138,029)
Changes of assumptions or other inputs	637,773
Benefit payments	(142,121)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,311,100</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2020 to 1.93 percent at June 30, 2021.

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, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 \$215,310 for the reporting year. No amounts were forfeited.

Note 6. Pension Plan and Other Postemployment Benefits (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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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 \$12,542 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$241,008 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The 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, 2021, the County's proportion was 1.0516%, which was an increase of 0.0745% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$6,625. At June 30, 2021, 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	\$ -	\$ 4,911
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	20,622
Changes in proportion and differences between County contributions and proportionate	-	19,662
County contributions subsequent to the measurement date	12,542	-
Total	\$ 12,542	\$ 45,195

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

Register of Deeds' Supplemental Pension Fund (Continued)

\$12,542 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ (13,417)
2023	(17,276)
2024	(9,307)
2025	(5,195)
2026	-
Thereafter	-
Total	<u>\$ (45,195)</u>

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

Inflation	3.0 percent
Salary Increases	3.50 to 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, 2019 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, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 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 Benefits (Continued)**Register of Deeds' Supplemental Pension Fund (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)	\$ (204,706)	\$ (241,008)	\$ (271,726)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020,, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019.

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	\$ 14,350,879	\$ (241,008)	\$ -	\$ 14,109,871
Proportion of the Net Pension Liability (Asset)	0.40160%	1.05161%	n/a	
Total Pension Liability	-	-	2,311,100	2,311,100
Pension Expense	\$ 5,188,953	\$ 6,625	\$ 203,052	\$ 5,398,630

At June 30, 2021, 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	\$ 1,812,264	\$ -	\$ 146,625	\$ 1,958,889
Changes of assumptions	1,067,987	-	582,909	1,650,896
Net difference between projected and actual earnings on pension plan investments	2,019,502	-	-	2,019,502
Changes in proportion and differences between County contributions and proportionate share of contributions	680,627	-	-	680,627
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	3,038,004	12,542	68,479	3,119,025

Note 6. Pension Plan and Other Postemployment Benefits (Continued)**Deferred Inflows of Resources**

Differences between expected and actual	\$	-	\$	4,911	\$	176,592	\$	181,503
Changes of assumptions		-		-		28,980		28,980
Net difference between projected and actual earnings on pension plan investments		-		20,622		-		20,622
Changes in proportion and differences between County contributions and proportionate share of contributions		-		19,662		-		19,662

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 \$79,277,759 for the year ended September 30, 2020. Total contributions were \$4,756,666 for the year ended September 30, 2020, 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 \$90,015,100 for the year ended September 30, 2020. The Health System's contributions were \$1,800,302, or 2 percent of covered payroll for the year ended September 30, 2020. Employee contributions to the plan totaled \$7,361,042 or 8.18% of covered payroll for the year ended September 30, 2020. Employee contributions to the 457(b) plan totaled \$1,820,361 for the year ended September 30, 2020. These plans are not included in the Health System's reporting entity and do not issue separate, stand-alone financial reports.

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

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' group rate. Retirees who qualify for coverage receive from \$331 - \$662 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, 2019, the date of the latest actuarial valuation:

	General <u>Employees</u>	Law Enforcement <u>Officers:</u>
Retirees and dependents receiving benefits	43	10
Active plan members	478	83
Total	<u>521</u>	<u>93</u>

Total OPEB Liability

The County's total OPEB liability of \$19,278,312 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

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

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

Inflation	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	3.50%
Measurement Date	2.21%
Health Care Cost Trends:	
Pre-Medicare	7.00 for 2019 decreasing to an ultimate rate of 4.50% by 2026

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, 2020	\$ 16,090,513	\$ 246,991	\$ 259,072	\$ 16,596,576
Changes for the year:				
Service cost at the end of the year	724,741	18,732	8,067	751,540
Interest on TOL and cash flows	573,230	14,819	6,380	594,429
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	1,511	39	17	1,567
Changes of assumptions or other inputs	1,995,555	51,589	22,209	2,069,353
Benefit payments and implicit subsidy credit	(708,936)	(18,327)	(7,890)	(735,153)
Other	-	-	-	-
Net Changes	2,586,101	66,852	28,783	2,681,736
Balance at June 30, 2021	\$ 18,676,614	\$ 313,843	\$ 287,855	\$ 19,278,312

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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.

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

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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 21,065,088	\$ 19,278,312	\$ 17,651,767

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	\$ 17,021,999	\$ 19,278,312	\$ 21,957,521

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the County recognized OPEB expense of \$1,812,276. At June 30, 2021, 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	\$ 1,593,261	\$ -
Changes of assumptions another inputs	2,025,494	561,820
Benefit payments and administrative costs made subsequent to the measurement date	935,831	-
Total	<u>\$ 4,554,586</u>	<u>\$ 561,820</u>

\$935,831 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June</u>	
2022	\$ 466,307
2023	466,307
2024	466,307
2025	540,322
2026	567,622
Thereafter	550,070

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

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, 2020, the Health System's membership consisted:

Retirees receiving benefits	68
Active Plan members	96
Total	<u>164</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.

Total OPEB Asset (Liability). The total OPEB asset (liability) was therefore determined based on the January 1, 2020 actuarial valuations, using membership data as of January 1, 2020 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, 2020. Information included in the following schedules is based on the certification provided by the System's consulting actuary.

For the year ended September 30, 2020, the System recognized an OPEB gain of approximately \$516,000.

The following represents the changes in the net OPEB liability as of September 30, 2020:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Liability) asset (a)+(b)
Balances at September 30, 2019	\$ (5,992,320)	\$ 6,707,794	\$ 715,474
Changes for the Year:			
Services cost	(43,275)	-	(43,275)
Interest cost	(384,583)	-	(384,583)
Change in actuarial assumptions	(378,248)	-	(378,248)
Contributions from employer	-	742,150	742,150
Net investment earnings	-	1,375,803	1,375,803
Actual Benefits paid	1,092,150	(1,092,150)	-
Additional expected benefit payments	(78,462)	-	(78,462)
Other	(90,127)	-	(90,127)
Net Changes	117,455	1,025,803	1,143,258
Balances at September 30, 2020	<u>\$ (5,874,865)</u>	<u>\$ 7,733,597</u>	<u>\$ 1,858,732</u>

Note 6. Pension Plan and Other Postemployment Benefits (Continued)**Other Postemployment Benefits (Continued)****Healthcare Benefits (Continued)*****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, 2020:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 5,673,546	\$ 5,874,865	\$ 6,088,612

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, 2020:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 6,074,627	\$ 5,874,865	\$ 5,681,671

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.

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

Valuation date	January 1, 2020
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-2019 Projection Scale (previously, MP-2017 Projection Scale was used).

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

Deferred items related to OPEB. At September 30, 2020, 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	\$ 507,274	\$ 212,597
Changes of assumptions and other inputs	120,936	-
Differences between expected and actual return on plan assets	53,903	725,006
Total	<u>\$ 170,356</u>	<u>\$ 937,603</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 2020. There were no changes during 2020 to the Plan's valuation technique used to measure asset and liability fair values on a recurring basis.

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, 2020:

	September 30, 2020			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 14,545	\$ -	\$ -	\$ 14,545
Mutual Funds	7,719,052	-	-	7,719,052
Total	<u>\$ 7,733,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,733,597</u>

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

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 granter agencies are subject to audit and adjustment by granter 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 granter 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, 2021, 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, 2021 is due in future years as follows:

	Year Ending June 30, 2021
Store #6	
2022	\$ 41,700
2023	41,700
2024	41,700
2025	41,700
2026	38,225
Thereafter	-
	<u>\$ 205,025</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

The County's general obligation bonds payable at June 30, 2021 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%	\$ 3,610,000
		<u>\$ 3,610,000</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 2,284,000	\$ 93,860
2023	1,326,000	34,476
2024	-	-
2025	-	-
Total	<u>\$ 3,610,000</u>	<u>\$ 128,336</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:		
2013 LOB Refunded School Projects/Fiber Optic	2.07%	\$ 8,001,000
2013 LOB Refunded LEC/Park/Tyron Palace	2.07%	9,778,998
2019 Convention Center	2.20%	9,285,000
Total Governmental Activities		<u>27,064,998</u>
Business-type Activities:		
Water Line expansion project - Northwest Craven Water	2.66%	320,457
Castle Hayne Aquifer Water Treatment Project - Water	0%	12,943,196
Total Business-Type Activities		<u>13,263,653</u>
Total loans and installment notes payable		<u>\$ 40,328,651</u>

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
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	3,559,000	227,950	808,950	-
2027-2031	6,330,000	499,806	4,044,750	-
2032-2036	2,142,000	94,248	4,044,750	-
2037-2041	-	-	808,947	-
Total	<u>\$ 27,065,000</u>	<u>\$ 2,504,615</u>	<u>\$ 13,263,653</u>	<u>\$ 21,310</u>

Changes in the County's long-term obligations for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
General Obligation bonds	\$ 5,947,000	\$ -	\$ 2,337,000	\$ 3,610,000	\$ 2,284,000
Loans and installment notes	31,128,150	-	4,063,150	27,065,000	3,880,000
Total pension liability	1,800,412	510,688	-	2,311,100	-
Total OPEB liability	16,090,524	2,586,090	-	18,676,614	-
Net Pension liability (LGRS)	9,894,633	4,135,973	-	14,030,606	-
Compensated absences	2,961,124	2,366,292	2,025,568	3,301,848	2,025,568
Governmental Activities Long-term Liabilities	<u>\$ 67,821,843</u>	<u>\$ 9,599,043</u>	<u>\$ 8,425,718</u>	<u>\$ 68,995,168</u>	<u>\$ 8,189,568</u>
Due within one year					\$ 8,189,568
Due in more than one year					60,805,600
Total Governmental Activities					<u>\$ 68,995,168</u>

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

Loans and installment notes	\$ 14,152,715	\$ -	\$ 889,064	\$ 13,263,651	\$ 889,064
Total OPEB liability	246,982	66,861	-	313,843	-
Net pension liability (LGERS)	225,072	95,201	-	320,273	-
Compensated absences	43,175	47,160	27,774	62,561	27,774
Business-type Activities Long-term Liabilities	\$ 14,667,944	\$ 209,222	\$ 916,838	\$ 13,960,328	\$ 916,838
					\$ 916,838
					13,043,490
					<u>\$ 13,960,328</u>

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 \$30,794,683 of its legal debt limitation of \$799,490,742, leaving a legal debt margin of \$768,815,743 at June 30, 2021.

General obligation bonds and bond anticipation notes:

The Airport Authority does not have any general obligation bonds outstanding at June 30, 2021.

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, 2020 was \$55,530,000. During the year ended September 30, 2020, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at September 30, 2020 was a liability of approximately \$2,531,000 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, 2020.

Note 9. Interfund Assets/Liabilities and Transfers

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

From General Fund to the Self Insurance Fund to supplement resources.	\$ 50,000
From General Fund to the Courthouse EOC Recovery Project to provide resources for project expenses.	700,037
From General Fund to Grant Project Fund for Planning Department Projects.	20,584
From General Fund to the School Debt Service Fund to transfer local option sales tax restricted for School Debt Service.	5,370,758
From Capital Reserve Fund to the General Fund to transfer funds for new recreation additions.	193,500
From General Fund to Township 3 for approved reimbursable expenses along with County Grant Match.	59,708
From General Fund to Little Swift Creek VFD for approved reimbursable expenses along with County Grant Match.	30,000
From General Fund to Township 9 for approved reimbursable expenses along with County Grant Match.	26,788
From the Occupancy Tax Fund to the General Fund to service convention center debt payment.	935,000
From the General Fund to the Water Fund to transfer monthly allocation of Howell Rd Building rent.	18,000
From Water Fund to Lawson Creek Booster Station Project to provide funding for project.	803,763
From the Water Fund to Northwest Craven Debt Service Fund to cover debt service payment.	90,769
From the Water Fund to the General Fund for IT, Admin, Finance, Maintenance, and Rent allocations.	148,000
Total	<u>\$ 8,446,907</u>

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

Balances due to / from other funds at June 30, 2021, 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):

CDBG-DR Active Disaster Grants Fund	\$ 1,152
Flood Hazard Mitigation Assist 2016-006	83
CDBG-NR NC Dept of Commerce Grants Fund	175,282
School Capital Fund	26,669
Grant Project Fund	<u>1,883,169</u>
Total Due to the General Fund	<u>\$ 2,086,355</u>

Note 10: Net Investment in Capital Assets

Debt Related to Capital Activities - Of the Governmental Activities debt listed, only \$20,845,998 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets (net of depreciation)	\$ 71,337,048	\$ 39,611,242
Add:		
Deferred charges (capital related)	-	-
Total capital assets and related deferred charges	<u>71,337,048</u>	<u>39,611,242</u>
Total debt, gross	30,675,000	13,263,651
Less:		
Other non-capital related debt	13,069,000	-
Capital related unspent debt issuances	-	-
Total capital debt	<u>17,606,000</u>	<u>13,263,651</u>
Net investment in capital assets	<u>\$ 53,731,048</u>	<u>\$ 26,347,591</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, 2021 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charges of refunding of debt	\$ 2,064,952	\$ -
Pensions - difference between expected and actual experience		
Pensions	1,958,889	181,503
OPEB	1,566,548	-
Pension - Changes of assumptions		
Pensions	1,650,896	28,980
OPEB	1,993,876	549,134
Pensions - difference between projected and actual investment earnings (Pensions)	2,019,502	20,622
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	680,628	19,662
Contributions to plans in current fiscal year		
Pensions	3,119,025	-
OPEB	921,859	-
Prepaid taxes not yet earned (General Fund)	-	191,147
Prepaid fees (General)	-	42,469
Total reported in the government wide statements	<u>15,976,175</u>	<u>1,033,517</u>
Property taxes receivable, net (General Fund)	-	666,812
Property taxes receivable, net (Special Revenue Fund)	-	47,030
Recycling fees receivable (General Fund)	-	203,482
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 1,150,940</u>

Deferred inflows and outflows for OPEB and pensions will not tie in directly to footnote schedule for OPEB and pensions due to the fact that the portions related to the Airport Authority are not included in the schedule above.

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 \$5,610,587 in claims was incurred for benefits during fiscal year 2021. Payments received from the insurer for claims over the limit of \$196,520 and \$197,202 during fiscal 2021 and fiscal 2020, 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
2020-2021	\$ 280,000	\$ 5,610,587	\$ 5,156,465	\$ 734,122
2019-2020	\$ 320,000	\$ 5,105,776	\$ 5,145,776	\$ 280,000

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 \$221,530 in claims or changes in estimates were incurred for benefits during fiscal year 2021. 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	\$ 79,223	\$ 221,530	\$ 184,595	\$ 116,158
2019-2020	\$ 82,022	\$ 324,864	\$ 327,663	\$ 79,223

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 changed plan administrator's on January 1, 2016. The System is billed on a weekly basis for claims by MedCost, the plan administrator. The Health System carries stoploss insurance through MedCost, 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, 2020 and 2019 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019-2020	\$ 2,780,000	\$ 25,526,641	\$ 25,526,641	\$ 2,780,000
2018-2019	\$ 2,780,000	\$ 25,150,546	\$ 25,150,546	\$ 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, 2021. During the year ended June 30, 2021, the County appropriated \$1,472,677 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 \$383,801. 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, 2021. 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, 2021. 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, 2021. The County appropriated \$349,827 to the THR during the fiscal year ended June 30, 2021, 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 \$3,929,300 and \$373,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. 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, 2021.

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, 2021, 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, 2021.

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. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Note 18. Subsequent Events

The County has evaluated its subsequent events (events occurring after June 30, 2021) through November 23, 2021, which represents the date the financial statements were available to be issued.

Note 19. Restatements

Change in Accounting Principle

The County implement Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

Note 19. Restatements (Continued)

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

	Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
Cash related to funds held on behalf of incarcerated inmates was reclassified from the General Fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund. The resulted in a restatement of fund balance that differed between the amount set up in the new custodial fund, because part of the cash balance was offset by a liability in the General Fund.	\$ -	\$ -	\$ -	\$ 72,502
Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.	-	-	-	270,493
Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance	97,793	-	97,793	-
	<u>\$ 97,793</u>	<u>\$ -</u>	<u>\$ 97,793</u>	<u>\$ 342,995</u>

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 Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset) %	0.402%	0.371%	0.378%	0.383%
County's proportionate share of the net pension liability (asset) \$	\$ 14,350,879	\$ 10,119,705	\$ 8,972,909	\$ 5,843,846
County's covered payroll	\$ 29,913,077	\$ 25,617,364	\$ 26,440,751	\$ 25,550,943
County's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	33.94%	33.94%	33.94%	22.87%
Plan fidiciary net position as a percentage of the total pension liability	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.381%	0.390%	0.406%	0.408%
County's proportionate share of the net pension liability (asset) \$	\$ 8,094,798	\$ 1,748,322	\$ (2,397,200)	\$ 4,922,788
County's covered payroll	\$ 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	32.67%	7.24%	-9.90%	20.14%
Plan fidiciary net position as a percentage of the total pension liability	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 Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,038,004	\$ 2,700,885	\$ 2,151,022	\$ 2,005,720
Contributions in relation to the contractually required contribution	<u>3,038,004</u>	<u>2,700,885</u>	<u>2,151,022</u>	<u>2,005,720</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	29,665,567	29,913,077	25,617,364	26,440,751
Contributions as a percentage of covered payroll	10.24%	9.03%	8.40%	7.59%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,873,840	\$ 1,667,585	\$ 1,718,722	\$ 1,718,740
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	25,550,943	24,774,857	24,162,555	24,220,773
Contributions as a percentage of covered payroll	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 Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset)%	1.052%	0.977%	0.872%	1.178%
County's proportionate share of the net pension liability (asset) \$	\$ (241,008)	\$ (192,901)	\$ (144,347)	\$ (201,138)
Plan fiduciary net position as a percentage of the total pension liability (asset)	173.62%	164.11%	153.31%	153.77%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)%	1.217%	1.111%	1.108%	1.123%
County's proportionate share of the net pension liability (asset) \$	\$ (227,499)	\$ (257,688)	\$ (251,203)	\$ (239,811)
Plan fiduciary net position as a percentage of the total pension liability (asset)	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.

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 Contribution
Register of Deeds' Supplemental Pension Fund
Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 12,542	\$ 10,069	\$ 9,287	\$ 10,238
Contributions in relation to the contractually required contribution	<u>12,542</u>	<u>10,069</u>	<u>9,287</u>	<u>10,238</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,238	\$ 9,941	\$ 8,897	\$ 9,049
Contributions in relation to the contractually required contribution	<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>

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

e of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension Liability
Local Governmental Employees' Retirement System
Last Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the net pension liability (asset) %	0.006%	0.005%	0.001%	0.005%
Authority's proportionate share of the net pension liability (asset) \$	\$ 216,550	\$ 146,924	\$ 143,527	\$ 72,567
Authority's covered payroll	\$ 538,641	\$ 437,773	\$ 462,079	\$ 366,986
Authority's proportionate share of the net of its covered payroll	40.20%	33.56%	31.06%	19.77%
Plan fiduciary net position as a percentage of the total pension liability	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) %	0.004%	0.003%	0.003%	0.004%
Authority's proportionate share of the net pension liability (asset) \$	\$ 92,746	\$ 17,502	\$ (19,462)	\$ 43,394
Authority's covered payroll	\$ 354,738	\$ 345,577	\$ 314,856	\$ 277,758
Authority's proportionate share of the net of its covered payroll	26.14%	5.06%	-6.18%	15.62%
Plan fiduciary net position as a percentage of the total pension liability	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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 60,438	\$ 49,111	\$ 33,767	\$ 34,656
Contributions in relation to the contractually required contribution	<u>60,438</u>	<u>49,111</u>	<u>33,767</u>	<u>34,656</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 595,446	\$ 538,641	\$ 437,773	\$ 462,079
Contributions as a percentage of covered payroll	10.15%	9.12%	7.71%	7.50%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 26,606	\$ 23,663	\$ 25,400	\$ 23,551
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856
Contributions as a percentage of covered payroll	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 Eight Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ABC Board's proportion of the net pension liability (asset) %	0.00908%	0.00763%	0.00786%	0.00843%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 324,467	\$ 208,369	\$ 186,466	\$ 128,787
ABC Board's covered payroll	\$ 751,821	\$ 714,459	\$ 676,367	\$ 685,968
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.16%	29.16%	27.57%	18.77%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ABC Board's proportion of the net pension liability (asset) %	0.00728%	0.00735%	0.00621%	0.00700%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 154,506	\$ 32,986	\$ (36,623)	\$ 84,377
ABC Board's covered payroll	\$ 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	26.60%	5.78%	-7.72%	17.95%
Plan fiduciary net position as a percentage of the total pension liability**	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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 81,332	\$ 68,341	\$ 56,300	\$ 51,877
Contributions in relation to the contractually required contribution	<u>81,332</u>	<u>68,341</u>	<u>56,300</u>	<u>51,877</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 789,629	\$ 751,821	\$ 714,459	\$ 676,367
Contributions as a percentage of covered payroll	10.30%	9.09%	7.88%	7.67%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 51,104	\$ 39,851	\$ 40,320	\$ 33,900
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	\$ 685,968	\$ 580,917	\$ 570,899	\$ 479,494
Contributions as a percentage of covered payroll	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
Last Four Fiscal Years

	2021	2020	2019	2018
Beginning Balance	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481	\$ 1,585,538
Service Cost	96,688	80,218	78,775	69,732
Interest on the total pension liability	56,377	53,039	52,055	58,828
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience in the measurement of the total pension liability	(138,029)	237,415	(140,990)	(1,068)
Changes of assumptions or other inputs	637,773	46,918	(53,553)	109,457
Benefit payments	(142,121)	(148,581)	(104,365)	(123,006)
Other changes	-	-	-	-
Ending Balance of the total pension liability	<u>\$ 2,311,100</u>	<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
Last Four Fiscal Years

	2021	2020	2019	2018
Total pension liability	\$ 2,311,100	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481
Covered payroll	4,158,309	3,798,109	3,344,394	3,206,963
Total pension liability as a percentage of covered payroll	55.58%	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
Last Four Fiscal Years

	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 16,596,576	\$ 14,058,772	\$ 13,825,361	\$ 13,876,112
Service Cost	751,540	593,237	613,031	662,069
Interest on the total pension liability	594,429	531,977	477,912	411,261
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	1,567	1,868,749	369,590	14,747
Changes of assumptions	2,069,353	317,752	(418,307)	(709,756)
Benefit payments	(735,153)	(773,911)	(808,815)	(429,072)
Other changes	-	-	-	-
Net change in total OPEB liability	2,681,736	2,537,804	233,411	(50,751)
Total OPEB liability - ending	\$ 19,278,312	\$ 16,596,576	\$ 14,058,772	\$ 13,825,361
Covered Payroll	\$ 26,685,118	\$ 26,685,118	\$ 27,587,907	\$ 27,587,907
Total OPEB Liability as a percentage of covered payroll	72.24%	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%
2021	2.21%

GENERAL FUND

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 54,695,744	\$ 55,350,382	\$ 654,638
Sales	17,955,548	21,822,193	3,866,645
Intergovernmental	28,524,233	33,074,860	4,550,627
Charges for services	16,916,836	16,896,108	(20,728)
Interest	700,275	(1,033)	(701,308)
Miscellaneous	525,202	1,358,655	833,453
Total revenues	<u>119,317,838</u>	<u>128,501,165</u>	<u>9,183,327</u>
EXPENDITURES			
General government:			
Commissioners	689,853	575,172	114,681
Administration	668,679	647,179	21,500
Human Resources	653,302	623,194	30,108
Information technology	2,538,381	2,157,805	380,576
Finance	1,059,962	1,040,898	19,064
Elections	878,535	814,861	63,674
Tax assessor	1,258,642	1,235,333	23,309
Tax collections	794,028	774,321	19,707
Register of Deeds	1,367,365	1,307,100	60,265
Public buildings	1,820,711	1,626,545	194,166
Housekeeping	387,217	370,557	16,660
Court facilities	627,397	505,278	122,119
County garage	438,918	431,928	6,990
Maintenance	1,306,345	1,272,432	33,913
Non-departmental	4,216,776	3,669,431	547,345
Total general government	<u>18,706,111</u>	<u>17,052,034</u>	<u>1,654,077</u>
Public Safety			
Animal control	646,708	566,097	80,611
Medical examiner	190,000	179,450	10,550
Sheriff	9,754,516	9,431,069	323,447
Jail	5,465,410	5,132,861	332,549
Fire marshal/Emergency management	1,303,953	1,234,710	69,243
Inspections	700,929	618,083	82,846
Volunteer rescue squads	3,736,755	3,634,625	102,130
Total public safety	<u>21,798,271</u>	<u>20,796,895</u>	<u>1,001,376</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Environmental protection			
Solid Waste	5,698,649	5,567,489	131,160
Environmental health	1,139,136	1,047,715	91,421
Soil Conservation	347,623	327,744	19,879
Cooperative extension	313,639	298,073	15,566
Total environmental protection	<u>7,499,047</u>	<u>7,241,021</u>	<u>258,026</u>
Economic and physical development			
Planning	806,785	800,726	6,059
Economic Development Commission	831,022	735,289	95,733
Convention center	1,139,520	913,703	225,817
Special Appropriation	222,672	128,267	94,405
Total economic and physical development	<u>2,999,999</u>	<u>2,577,985</u>	<u>422,014</u>
Health			
Dental	450,410	307,650	142,760
Maternity	1,378,173	1,124,313	253,860
Child Health	1,812,145	1,562,163	249,982
Risk Reduction	176,342	141,849	34,493
WIC	630,744	518,982	111,762
Adult health services	2,427,307	2,243,319	183,988
Communicable disease	521,111	406,840	114,271
Bio-terrorism	413,768	376,626	37,142
Family planning	802,471	636,150	166,321
Home health	2,107,620	1,920,625	186,995
Mental health	394,827	388,467	6,360
Other - unclassified	1,466,471	989,084	477,387
Total health	<u>12,581,389</u>	<u>10,616,068</u>	<u>1,965,321</u>
Social services			
Transportation	1,778,010	1,460,602	317,408
Administration	3,101,833	2,655,972	445,861
Employment assistance	4,871,145	4,522,061	349,084
Adult/child services	1,545,297	1,328,394	216,903
Veterans services	315,995	304,470	11,525
Senior services	703,414	416,227	287,187
Public assistance payments	1,735,567	1,193,845	541,722
TANF	7,269,215	6,529,294	739,921
Child support enforcement	1,345,193	1,022,322	322,871
Special appropriation	94,556	92,000	2,556
Total social services	<u>22,760,225</u>	<u>19,525,187</u>	<u>3,235,038</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Culture and recreation			
Recreation	1,836,709	1,604,584	232,125
Libraries	1,472,677	1,472,677	-
Special appropriation	98,871	96,379	2,492
Total culture and recreation	<u>3,408,257</u>	<u>3,173,640</u>	<u>234,617</u>
Education - schools			
Public schools - current expenditures	22,021,335	22,021,335	-
Public schools - fines and forfeitures	520,656	479,844	40,812
Public schools - capital outlay	1,994,967	1,994,967	-
Community college	4,302,300	4,302,300	-
Total education	<u>28,839,258</u>	<u>28,798,446</u>	<u>40,812</u>
Debt Service:			
Principal	2,497,000	2,497,000	-
Interest	440,870	439,200	1,670
Total debt service	<u>2,937,870</u>	<u>2,936,200</u>	<u>1,670</u>
Total expenditures	<u>121,530,427</u>	<u>112,717,476</u>	<u>8,812,951</u>
Excess of revenues over expenditures	<u>(2,212,589)</u>	<u>15,783,689</u>	<u>17,996,278</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	3,861,310	1,276,500	(2,584,810)
Transfer out	(6,303,423)	(6,275,875)	27,548
Total other financing sources (uses)	<u>(2,442,113)</u>	<u>(4,999,375)</u>	<u>(2,557,262)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(4,654,702)</u>	<u>10,784,314</u>	<u>15,439,016</u>
Appropriated fund balance	<u>4,654,702</u>	<u>-</u>	<u>(4,654,702)</u>
Net change in fund balance	<u>\$ -</u>	<u>10,784,314</u>	<u>\$ 10,784,314</u>
FUND BALANCE			
Fund balance, beginning, as previously reported		39,296,637	
Prior Period Restatement - change in accounting principle		-	
Fund balance, beginning, as restated		<u>39,296,637</u>	
Fund balance, ending		<u>\$ 50,080,951</u>	

COMBINING SCHEDULES OF NONMAJOR FUNDS

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,486,349	\$ 1,748,382	\$ 1,855,495	\$ 7,090,226
Sales tax receivable	357,172	156,268	1,477,663	1,991,103
Accounts receivable	553,948	-	1,219,700	1,773,648
Restricted cash	-	310,000	-	310,000
Total assets	<u>\$ 4,397,469</u>	<u>\$ 2,214,650</u>	<u>\$ 4,552,858</u>	<u>\$ 11,164,977</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 50,257	\$ 52,607	\$ -	\$ 102,864
Due to other funds	176,517	26,669	-	203,186
Total liabilities	<u>226,774</u>	<u>79,276</u>	<u>-</u>	<u>306,050</u>
Deferred inflows of resources:				
Taxes receivable	47,030	-	-	47,030
Total deferred inflows of resources	<u>47,030</u>	<u>-</u>	<u>-</u>	<u>47,030</u>
Fund balances:				
Restricted				
Stabilization by state statute	553,948		-	553,948
Public Safety	2,204,704	-	-	2,204,704
General government	-	941,549	-	941,549
Human services	140,366	-	-	140,366
Economic and physical development	1,451,164	910,494	-	2,361,658
Education, schools	-	283,331	4,552,858	4,836,189
Unassigned	(226,517)	-		(226,517)
Total fund balances	<u>4,123,665</u>	<u>2,135,374</u>	<u>4,552,858</u>	<u>10,811,897</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,397,469</u>	<u>\$ 2,214,650</u>	<u>\$ 4,552,858</u>	<u>\$ 11,164,977</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 5,167,740	\$ -	\$ -	\$ 5,167,740
Intergovernmental	1,481,451	-	1,219,700	2,701,151
Miscellaneous	12,124	-	-	12,124
Interest	1,418	1,058	1,258	3,734
County Appropriations	-	310,000	-	310,000
Total revenues	<u>\$ 6,662,733</u>	<u>\$ 311,058</u>	<u>\$ 1,220,958</u>	<u>\$ 8,194,749</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 1,866,383	\$ -	\$ 1,866,383
Public safety	3,526,269	-	-	3,526,269
Human services	411,967	-	-	411,967
Economic and physical development	898,130	3,287,967	-	4,186,097
Education	-	186,805	-	186,805
Debt service:				
Principal	-	-	3,903,150	3,903,150
Interest	-	-	337,240	337,240
Total expenditures	<u>4,836,366</u>	<u>5,341,155</u>	<u>4,240,390</u>	<u>14,417,911</u>
Excess of revenues over (under) expenditures	<u>1,826,367</u>	<u>(5,030,097)</u>	<u>(3,019,432)</u>	<u>(6,223,162)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	116,496	700,037	5,370,758	6,187,291
Transfer out	(935,000)	-	-	(935,000)
Total other financing sources (uses)	<u>(818,504)</u>	<u>700,037</u>	<u>5,370,758</u>	<u>5,252,291</u>
Net change in fund balances	<u>1,007,863</u>	<u>(4,330,060)</u>	<u>2,351,326</u>	<u>(970,871)</u>
Fund balance, beginning, as previously reported	3,018,009	6,465,434	2,201,532	11,684,975
Prior Period Restatement - change in accounting principle	97,793	-	-	97,793
Fund balance, beginning, as restated	<u>3,115,802</u>	<u>6,465,434</u>	<u>2,201,532</u>	<u>11,782,768</u>
Fund balance, ending	<u>\$ 4,123,665</u>	<u>\$ 2,135,374</u>	<u>\$ 4,552,858</u>	<u>\$ 10,811,897</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:

Major Fund:

- **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, and fund an emergency capital need for the Board of Education.

Non-major 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 lose 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.
- **Representative Payee Fund** - As a result of the implementation of GASB 84, the County established a representative payee fund to track DSS trust account balances.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	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
ASSETS						
Cash and cash equivalents	\$ 1,189,903	\$ 704,916	\$ 1,338,581	\$ -	\$ 112,583	\$ -
Taxes receivable	357,172	-	-	-	-	-
Accounts receivable	-	19,438	-	-	224,738	-
Total assets	<u>\$ 1,547,075</u>	<u>\$ 724,354</u>	<u>\$ 1,338,581</u>	<u>\$ -</u>	<u>\$ 337,321</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 257	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	1,152
Total liabilities	<u>-</u>	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,152</u>
Deferred inflows of resources:						
Taxes receivable	47,030	-	-	-	-	-
Total deferred inflows of resources	<u>47,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted						
Stabilization by state statute	-	19,438	-	-	224,738	-
Public Safety	1,500,045	704,659	-	-	-	-
Human services	-	-	-	-	-	-
Economic and physical development	-	-	1,338,581	-	112,583	-
Unassigned	-	-	-	-	-	(1,152)
Total fund balances	<u>1,500,045</u>	<u>724,097</u>	<u>1,338,581</u>	<u>-</u>	<u>337,321</u>	<u>(1,152)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,547,075</u>	<u>\$ 724,354</u>	<u>\$ 1,338,581</u>	<u>\$ -</u>	<u>\$ 337,321</u>	<u>\$ -</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Flood Hazard Mitigation Assist 2016-006	Flood Hazard Mitigation Assist 2016-014	CDBG-NR NC Dept of Commerce Grants Fund	Representative Payee Fund	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 140,366	\$ 3,486,349
Taxes receivable	-	-	-	-	357,172
Accounts receivable	-	-	309,772	-	553,948
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,772</u>	<u>\$ 140,366</u>	<u>\$ 4,397,469</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,257
Due to other funds	83	-	175,282	-	176,517
Total liabilities	<u>83</u>	<u>-</u>	<u>225,282</u>	<u>-</u>	<u>226,774</u>
Deferred inflows of resources:					
Taxes receivable	-	-	-	-	47,030
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,030</u>
Fund balances:					
Restricted					
Stabilization by state statute	-	-	309,772	-	553,948
Public Safety	-	-	-	-	2,204,704
Human services	-	-	-	140,366	140,366
Economic and physical development	-	-	-	-	1,451,164
Unassigned	(83)	-	(225,282)	-	(226,517)
Total fund balances	<u>(83)</u>	<u>-</u>	<u>84,490</u>	<u>140,366</u>	<u>4,123,665</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,772</u>	<u>\$ 140,366</u>	<u>\$ 4,397,469</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	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
REVENUES						
Taxes	\$ 3,570,062	\$ -	\$ 1,597,678	\$ -	\$ -	\$ -
Intergovernmental	-	153,449	-	-	517,729	-
Miscellaneous	-	9,008	3,116	-	-	-
Interest	-	400	1,018	-	-	-
Total revenues	<u>3,570,062</u>	<u>162,857</u>	<u>1,601,812</u>	<u>-</u>	<u>517,729</u>	<u>-</u>
EXPENDITURES						
Current:						
Public safety	3,421,997	104,272	-	-	-	-
Human services	-	-	-	-	-	-
Economic and physical development	-	-	651,512	-	120,749	-
Education	-	-	-	-	-	-
Total expenditures	<u>3,421,997</u>	<u>104,272</u>	<u>651,512</u>	<u>-</u>	<u>120,749</u>	<u>-</u>
Revenues over (under) expenditures	<u>148,065</u>	<u>58,585</u>	<u>950,300</u>	<u>-</u>	<u>396,980</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in (out)						
To general fund	-	-	(935,000)	-	-	-
From general fund	<u>116,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>116,496</u>	<u>-</u>	<u>(935,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>264,561</u>	<u>58,585</u>	<u>15,300</u>	<u>-</u>	<u>396,980</u>	<u>-</u>
Fund balance, beginning, as previously reported	1,235,484	665,512	1,323,281	-	(59,659)	(1,152)
Prior Period Restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning, as restated	<u>1,235,484</u>	<u>665,512</u>	<u>1,323,281</u>	<u>-</u>	<u>(59,659)</u>	<u>(1,152)</u>
Fund balance, ending	<u>\$ 1,500,045</u>	<u>\$ 724,097</u>	<u>\$ 1,338,581</u>	<u>\$ -</u>	<u>\$ 337,321</u>	<u>\$ (1,152)</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	Flood Hazard Mitigation Assist 2016-006	Flood Hazard Mitigation Assist 2016-014	CDBG-NR NC Dept of Commerce Grants Fund	Representative Payee Fund	Totals
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,167,740
Intergovernmental	57,060	30,184	268,489	454,540	1,481,451
Miscellaneous	-	-	-	-	12,124
Interest	-	-	-	-	1,418
Total revenues	<u>57,060</u>	<u>30,184</u>	<u>268,489</u>	<u>454,540</u>	<u>6,662,733</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	-	3,526,269
Human services	-	-	-	411,967	411,967
Economic and physical development	-	1,250	124,619	-	898,130
Education	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,250</u>	<u>124,619</u>	<u>411,967</u>	<u>4,836,366</u>
Revenues over (under) expenditures	<u>57,060</u>	<u>28,934</u>	<u>143,870</u>	<u>42,573</u>	<u>1,826,367</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)					
To general fund	-	-	-	-	(935,000)
From general fund	-	-	-	-	116,496
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(818,504)</u>
Net change in fund balances	<u>57,060</u>	<u>28,934</u>	<u>143,870</u>	<u>42,573</u>	<u>1,007,863</u>
Fund balance, beginning, as previously reported	(57,143)	(28,934)	(59,380)	-	3,018,009
Prior Period Restatement - change in accounting principle	-	-	-	97,793	97,793
Fund balance, beginning, as restated	<u>(57,143)</u>	<u>(28,934)</u>	<u>(59,380)</u>	<u>97,793</u>	<u>3,115,802</u>
Fund balance, ending	<u>\$ (83)</u>	<u>\$ -</u>	<u>\$ 84,490</u>	<u>\$ 140,366</u>	<u>\$ 4,123,665</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	Rhems	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township	No. 6 Township
ASSETS							
Cash and cash equivalents	\$ 133,396	\$ 134,188	\$ 213,008	\$ 74,112	\$ 61,473	\$ 85,692	\$ 145,947
Taxes receivable	27,132	30,738	52,785	20,265	35,101	41,441	28,931
Accounts receivable	-	-	-	-	-	-	-
Total assets	<u>\$ 160,528</u>	<u>\$ 164,926</u>	<u>\$ 265,793</u>	<u>\$ 94,377</u>	<u>\$ 96,574</u>	<u>\$ 127,133</u>	<u>\$ 174,878</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Deferred inflows of resources:							
Unavailable revenue - taxes	\$ 1,887	\$ 5,275	\$ 8,358	\$ 3,373	\$ 7,044	\$ 5,966	\$ 2,121
Total deferred inflows of resources	<u>1,887</u>	<u>5,275</u>	<u>8,358</u>	<u>3,373</u>	<u>7,044</u>	<u>5,966</u>	<u>2,121</u>
Fund balances:							
Restricted							
Stabilization by state statute	-	-	-	-	-	-	-
Public Safety	158,641	159,651	257,435	91,004	89,530	121,167	172,757
Total fund balances	<u>158,641</u>	<u>159,651</u>	<u>257,435</u>	<u>91,004</u>	<u>89,530</u>	<u>121,167</u>	<u>172,757</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 160,528</u>	<u>\$ 164,926</u>	<u>\$ 265,793</u>	<u>\$ 94,377</u>	<u>\$ 96,574</u>	<u>\$ 127,133</u>	<u>\$ 174,878</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
ASSETS					
Cash and cash equivalents	\$ 95,542	\$ 123,753	\$ 111,072	\$ 11,720	\$ 1,189,903
Taxes receivable	53,255	39,633	26,502	1,389	357,172
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 148,797</u>	<u>\$ 163,386</u>	<u>\$ 137,574</u>	<u>\$ 13,109</u>	<u>\$ 1,547,075</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Deferred inflows of resources:					
Unavailable revenue - taxes	\$ 6,689	\$ 2,443	\$ 3,345	\$ 529	\$ 47,030
Total deferred inflows of resources	<u>6,689</u>	<u>2,443</u>	<u>3,345</u>	<u>529</u>	<u>47,030</u>
Fund balances:					
Restricted					
Stabilization by state statute	-	-	-	-	-
Public Safety	142,108	160,943	134,229	12,580	1,500,045
Total fund balances	<u>142,108</u>	<u>160,943</u>	<u>134,229</u>	<u>12,580</u>	<u>1,500,045</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,797</u>	<u>\$ 163,386</u>	<u>\$ 137,574</u>	<u>\$ 13,109</u>	<u>\$ 1,547,075</u>

CRAVEN COUNTY, NORTH CAROLINA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
For the Year Ended June 30, 2021

	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	\$ 203,291	\$ 204,827	\$ 361,357	\$ 134,734	\$ 220,557	\$ 278,353	\$ 210,477	\$ 371,067	\$ 295,992	\$ 182,219	\$ 9,192	\$ 2,472,066
Sales and use tax	89,756	89,980	151,967	60,010	99,571	125,323	94,865	170,111	130,933	82,464	3,016	1,097,996
Total revenues	<u>293,047</u>	<u>294,807</u>	<u>513,324</u>	<u>194,744</u>	<u>320,128</u>	<u>403,676</u>	<u>305,342</u>	<u>541,178</u>	<u>426,925</u>	<u>264,683</u>	<u>12,208</u>	<u>3,570,062</u>
EXPENDITURES												
Remittances to fire districts	209,268	230,593	551,626	219,313	343,036	368,137	284,800	470,240	440,269	252,305	-	3,369,587
Workers' compensation	2,700	4,225	3,445	2,470	8,148	2,600	3,315	5,460	3,835	4,290	-	40,488
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Grant match - safety	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,036	1,036	1,036	1,036	2,472	1,036	1,037	1,374	1,035	824	-	11,922
Total expenditures	<u>213,004</u>	<u>235,854</u>	<u>556,107</u>	<u>222,819</u>	<u>353,656</u>	<u>371,773</u>	<u>289,152</u>	<u>477,074</u>	<u>445,139</u>	<u>257,419</u>	<u>-</u>	<u>3,421,997</u>
Revenues over (under) expenditures	80,043	58,953	(42,783)	(28,075)	(33,528)	31,903	16,190	64,104	(18,214)	7,264	12,208	148,065
OTHER FINANCING SOURCES (USES)												
Transfers in (out):												
From General Fund	-	-	-	30,000	59,708	-	-	-	-	26,788	-	116,496
Between fire districts	(43,092)	(14,623)	7,380	14,623	3,000	2,628	(2,628)	-	43,092	(3,000)	(7,380)	-
Total other financing sources (uses)	<u>(43,092)</u>	<u>(14,623)</u>	<u>7,380</u>	<u>44,623</u>	<u>62,708</u>	<u>2,628</u>	<u>(2,628)</u>	<u>-</u>	<u>43,092</u>	<u>23,788</u>	<u>(7,380)</u>	<u>116,496</u>
Net change in fund balances	36,951	44,330	(35,403)	16,548	29,180	34,531	13,562	64,104	24,878	31,052	4,828	264,561
Fund balance, beginning	121,689	115,321	292,838	74,456	60,350	86,636	159,195	78,004	136,065	103,177	7,752	1,235,484
Fund balance, ending	<u>\$ 158,640</u>	<u>\$ 159,651</u>	<u>\$ 257,435</u>	<u>\$ 91,004</u>	<u>\$ 89,530</u>	<u>\$ 121,167</u>	<u>\$ 172,757</u>	<u>\$ 142,108</u>	<u>\$ 160,943</u>	<u>\$ 134,229</u>	<u>\$ 12,580</u>	<u>\$ 1,500,045</u>

CRAVEN COUNTY, NORTH CAROLINA
RHEMS FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 198,640	\$ 203,291	\$ 4,651
Sales and use tax	69,111	89,756	20,645
Total revenues	<u>267,751</u>	<u>293,047</u>	<u>25,296</u>
EXPENDITURES			
Remittances to fire districts	209,268	209,268	-
Workers' compensation	2,925	2,700	225
Capital outlay	11,160	-	11,160
Miscellaneous	1,306	1,036	270
Total expenditures	<u>224,659</u>	<u>213,004</u>	<u>11,655</u>
Revenues over (under) expenditures	<u>43,092</u>	<u>80,043</u>	<u>36,951</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To West New Bern Fire District	<u>(43,092)</u>	<u>(43,092)</u>	<u>-</u>
Total other financing sources (uses)	<u>(43,092)</u>	<u>(43,092)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	-	36,951	36,951
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	36,951	<u>\$ 36,951</u>
Fund balance, beginning		<u>121,689</u>	
Fund balance, ending		<u>\$ 158,640</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 197,706	\$ 204,827	\$ 7,121
Sales and use tax	69,707	89,980	20,273
Total revenues	<u>267,413</u>	<u>294,807</u>	<u>27,394</u>
EXPENDITURES			
Remittances to fire districts	230,593	230,593	-
Workers' compensation	4,571	4,225	346
Capital outlay	16,577	-	16,577
Grant match - safety	-	-	-
Miscellaneous	1,049	1,036	13
Total expenditures	<u>252,790</u>	<u>235,854</u>	<u>16,936</u>
Revenues over (under) expenditures	<u>14,623</u>	<u>58,953</u>	<u>44,330</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Little Swift Creeek Fire District	<u>(14,623)</u>	<u>(14,623)</u>	<u>-</u>
Total other financing sources (uses)	<u>(14,623)</u>	<u>(14,623)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	-	44,330	44,330
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	44,330	<u>\$ 44,330</u>
Fund balance, beginning		<u>115,321</u>	
Fund balance, ending		<u>\$ 159,651</u>	

CRAVEN COUNTY, NORTH CAROLINA
TRI-COMMUNITY FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 341,760	\$ 361,357	\$ 19,597
Sales and use tax	121,630	151,967	30,337
Total revenues	<u>463,390</u>	<u>513,324</u>	<u>49,934</u>
EXPENDITURES			
Remittances to fire districts	551,626	551,626	-
Workers' compensation	4,778	3,445	1,333
Capital outlay	3,317	-	3,317
Miscellaneous	1,049	1,036	13
Total expenditures	<u>560,770</u>	<u>556,107</u>	<u>4,663</u>
Revenues over (under) expenditures	<u>(97,380)</u>	<u>(42,783)</u>	<u>54,597</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)	(90,000)	(35,403)	54,597
Appropriated fund balance	<u>90,000</u>	<u>-</u>	<u>(90,000)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(35,403)	<u>\$ (35,403)</u>
Fund balance, beginning		<u>292,838</u>	
Fund balance, ending		<u>\$ 257,435</u>	

CRAVEN COUNTY, NORTH CAROLINA
LITTLE SWIFT CREEK FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 129,116	\$ 134,734	\$ 5,618
Sales and use tax	46,247	60,010	13,763
Total revenues	<u>175,363</u>	<u>194,744</u>	<u>19,381</u>
EXPENDITURES			
Remittances to fire districts	220,023	219,313	710
Workers' compensation	2,867	2,470	397
Capital outlay	-	-	-
Miscellaneous	1,049	1,036	13
Total expenditures	<u>223,939</u>	<u>222,819</u>	<u>1,120</u>
Revenues over (under) expenditures	<u>(48,576)</u>	<u>(28,075)</u>	<u>20,501</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	30,000	30,000	-
From Township No. 9 Fire District Fund	14,623	14,623	-
Total other financing sources (uses)	<u>44,623</u>	<u>44,623</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(3,953)	16,548	20,501
Appropriated fund balance	<u>3,953</u>	<u>-</u>	<u>(3,953)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	16,548	<u>\$ 16,548</u>
Fund balance, beginning		<u>74,456</u>	
Fund balance, ending		<u>\$ 91,004</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 216,319	\$ 220,557	\$ 4,238
Sales and use tax	76,811	99,571	22,760
Total revenues	<u>293,130</u>	<u>320,128</u>	<u>26,998</u>
EXPENDITURES			
Remittances to fire districts	344,712	343,036	1,676
Workers' compensation	8,503	8,148	355
Capital outlay	-	-	-
Grant match	-	-	-
Miscellaneous	2,623	2,472	151
Total expenditures	<u>355,838</u>	<u>353,656</u>	<u>2,182</u>
Revenues over (under) expenditures	<u>(62,708)</u>	<u>(33,528)</u>	<u>29,180</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	59,708	59,708	-
From Township No. 9 Fire District Fund	3,000	3,000	-
Total other financing sources (uses)	<u>62,708</u>	<u>62,708</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	-	29,180	29,180
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	29,180	<u>\$ 29,180</u>
Fund balance, beginning		<u>60,350</u>	
Fund balance, ending		<u>\$ 89,530</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 272,395	\$ 278,353	\$ 5,958
Sales and use tax	97,120	125,323	28,203
Total revenues	<u>369,515</u>	<u>403,676</u>	<u>34,161</u>
EXPENDITURES			
Remittances to fire districts	368,137	368,137	-
Workers' compensation	2,700	2,600	100
Capital outlay	-	-	-
Miscellaneous	1,306	1,036	270
Total expenditures	<u>372,143</u>	<u>371,773</u>	<u>370</u>
Revenues over (under) expenditures	<u>(2,628)</u>	<u>31,903</u>	<u>34,531</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	-	-	-
From Township No. 6 Fire District Fund	2,628	2,628	-
Total other financing sources (uses)	<u>2,628</u>	<u>2,628</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	34,531	<u>\$ 34,531</u>
Fund balance, beginning		<u>86,636</u>	
Fund balance, ending		<u>\$ 121,167</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 206,089	\$ 210,477	\$ 4,388
Sales and use tax	73,395	94,865	21,470
Total revenues	<u>279,484</u>	<u>305,342</u>	<u>25,858</u>
EXPENDITURES			
Remittances to fire districts	284,800	284,800	-
Workers' compensation	3,891	3,315	576
Capital outlay	-	-	-
Miscellaneous	1,306	1,037	269
Total expenditures	<u>289,997</u>	<u>289,152</u>	<u>845</u>
Revenues over (under) expenditures	<u>(10,513)</u>	<u>16,190</u>	<u>26,703</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 5 Fire District Fund	<u>(2,628)</u>	<u>(2,628)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,628)</u>	<u>(2,628)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(13,141)	13,562	26,703
Appropriated fund balance	<u>13,141</u>	<u>-</u>	<u>(13,141)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	13,562	<u>\$ 13,562</u>
Fund balance, beginning		<u>159,195</u>	
Fund balance, ending		<u>\$ 172,757</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 355,069	\$ 371,067	\$ 15,998
Sales and use tax	127,484	170,111	42,627
Total revenues	<u>482,553</u>	<u>541,178</u>	<u>58,625</u>
EXPENDITURES			
Remittances to fire districts	470,242	470,240	2
Workers' compensation	10,920	5,460	5,460
Miscellaneous	1,391	1,374	17
Total expenditures	<u>482,553</u>	<u>477,074</u>	<u>5,479</u>
Revenues over (under) expenditures	<u>-</u>	<u>64,104</u>	<u>64,104</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>64,104</u>	<u>\$ 64,104</u>
Fund balance, beginning		<u>78,004</u>	
Fund balance, ending		<u>\$ 142,108</u>	

CRAVEN COUNTY, NORTH CAROLINA
WEST NEW BERN FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 285,431	\$ 295,992	\$ 10,561
Sales and use tax	101,812	130,933	29,121
Total revenues	<u>387,243</u>	<u>426,925</u>	<u>39,682</u>
EXPENDITURES			
Remittances to fire districts	440,269	440,269	-
Workers' compensation	4,017	3,835	182
Capital outlay	-	-	-
Miscellaneous	1,049	1,035	14
Total expenditures	<u>445,335</u>	<u>445,139</u>	<u>196</u>
Revenues over (under) expenditures	<u>(58,092)</u>	<u>(18,214)</u>	<u>39,878</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Rhems	43,092	43,092	-
Total other financing sources (uses)	<u>43,092</u>	<u>43,092</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(15,000)	24,878	39,878
Appropriated fund balance	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	24,878	<u>\$ 24,878</u>
Fund balance, beginning		<u>136,065</u>	
Fund balance, ending		<u>\$ 160,943</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 177,823	\$ 182,219	\$ 4,396
Sales and use tax	63,399	82,464	19,065
Total revenues	<u>241,222</u>	<u>264,683</u>	<u>23,461</u>
EXPENDITURES			
Remittances to fire districts	257,573	252,305	5,268
Workers' compensation	5,182	4,290	892
Capital outlay	26,319	-	26,319
Miscellaneous	836	824	12
Total expenditures	<u>289,910</u>	<u>257,419</u>	<u>32,491</u>
Revenues over (under) expenditures	<u>(48,688)</u>	<u>7,264</u>	<u>55,952</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 3 Township Fire District Fund	(3,000)	(3,000)	-
From General Fund	26,788	26,788	-
Total other financing sources (uses)	<u>23,788</u>	<u>23,788</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(24,900)</u>	<u>31,052</u>	<u>55,952</u>
Appropriated fund balance	<u>24,900</u>	<u>-</u>	<u>(24,900)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>31,052</u>	<u>\$ 31,052</u>
Fund balance, beginning		<u>103,177</u>	
Fund balance, ending		<u>\$ 134,229</u>	

CRAVEN COUNTY, NORTH CAROLINA
SANDY POINT SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 6,674	\$ 9,192	\$ 2,518
Sales and use tax	2,357	3,016	659
Total revenues	<u>9,031</u>	<u>12,208</u>	<u>3,177</u>
EXPENDITURES			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>9,031</u>	<u>12,208</u>	<u>3,177</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)	1,651	4,828	3,177
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ 1,651</u>	4,828	<u>\$ 3,177</u>
Fund balance, beginning		<u>7,752</u>	
Fund balance, ending		<u>\$ 12,580</u>	

CRAVEN COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 153,449	\$ 153,449	\$ -
Miscellaneous income	-	9,008	9,008
Interest	-	400	400
Total revenues	<u>153,449</u>	<u>162,857</u>	<u>9,408</u>
EXPENDITURES			
Public safety	<u>171,159</u>	<u>104,272</u>	<u>(66,887)</u>
Total expenditures	<u>171,159</u>	<u>104,272</u>	<u>(66,887)</u>
Revenues over (under) expenditures	<u>(17,710)</u>	<u>58,585</u>	<u>76,295</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)	<u>(17,710)</u>	<u>58,585</u>	<u>76,295</u>
Appropriated fund balance	<u>17,710</u>	<u>-</u>	<u>(17,710)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>58,585</u>	<u>\$ 58,585</u>
Fund balance, beginning		<u>665,512</u>	
Fund balance, ending		<u>\$ 724,097</u>	

CRAVEN COUNTY, NORTH CAROLINA
OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,647,050	\$ 1,597,678	\$ (49,372)
Miscellaneous income	5,000	3,116	(1,884)
Interest	-	1,018	1,018
Total revenues	<u>1,652,050</u>	<u>1,601,812</u>	<u>(50,238)</u>
EXPENDITURES			
Economic and physical development:			
Remittance to City of Havelock	96,882	93,983	(2,899)
Remittance to Tourism Development Authority	620,000	557,362	(62,638)
Professional services	168	167	(1)
Total expenditures	<u>717,050</u>	<u>651,512</u>	<u>(65,538)</u>
Revenues over (under) expenditures	<u>935,000</u>	<u>950,300</u>	<u>15,300</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To General fund	<u>(935,000)</u>	<u>(935,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(935,000)</u>	<u>(935,000)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>15,300</u>	<u>15,300</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>15,300</u>	<u>\$ 15,300</u>
Fund balance, beginning		<u>1,323,281</u>	
Fund balance, ending		<u>\$ 1,338,581</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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (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 balance, beginning			<u>-</u>		
Fund balance, 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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernmental	\$ 709,229	\$ 372,070	\$ 517,729	\$ 889,799	\$ 180,570
Golden Leaf Foundation Grant	618,670	520,745	-	520,745	(97,925)
Total revenues	<u>1,327,899</u>	<u>892,815</u>	<u>517,729</u>	<u>1,410,544</u>	<u>82,645</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	1,378,129	1,002,704	120,749	1,123,453	254,676
Total expenditures	<u>1,378,129</u>	<u>1,002,704</u>	<u>120,749</u>	<u>1,123,453</u>	<u>254,676</u>
Revenues over (under) expenditures	<u>(50,230)</u>	<u>(109,889)</u>	<u>396,980</u>	<u>287,091</u>	<u>337,321</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
From Reserve fund	50,230	50,230	-	50,230	-
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>\$ (59,659)</u>	<u>396,980</u>	<u>\$ 337,321</u>	<u>\$ 337,321</u>
Fund balance, beginning			<u>(59,659)</u>		
Fund balance, ending			<u>\$ 337,321</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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
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>1,152</u>	<u>-</u>	<u>1,152</u>	<u>998,848</u>
Total expenditures	<u>1,000,000</u>	<u>1,152</u>	<u>-</u>	<u>1,152</u>	<u>998,848</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,152)</u>	<u>-</u>	<u>\$ (1,152)</u>	<u>\$ (1,152)</u>
Fund balance, beginning			<u>(1,152)</u>		
Fund balance, 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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
REVENUES					
Intergovernment	\$ 502,173	\$ 429,767	\$ 57,060	\$ 486,827	\$ (15,346)
Total revenues	<u>502,173</u>	<u>429,767</u>	<u>57,060</u>	<u>486,827</u>	<u>(15,346)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	502,173	486,910	-	486,910	15,263
Total expenditures	<u>502,173</u>	<u>486,910</u>	<u>-</u>	<u>486,910</u>	<u>15,263</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (57,143)</u>	57,060	<u>\$ (83)</u>	<u>\$ (83)</u>
Fund balance, beginning			(57,143)		
Fund balance, ending			<u>\$ (83)</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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	\$ 348,099	\$ 183,229	\$ 30,184	\$ 213,413	\$ (134,686)
Total revenues	<u>348,099</u>	<u>183,229</u>	<u>30,184</u>	<u>213,413</u>	<u>(134,686)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	348,099	212,163	1,250	213,413	134,686
Total expenditures	<u>348,099</u>	<u>212,163</u>	<u>1,250</u>	<u>213,413</u>	<u>134,686</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (28,934)</u>	28,934	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			(28,934)		
Fund balance, ending			<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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Intergovernment	<u>\$ 750,000</u>	<u>\$ 41,283</u>	<u>\$ 268,489</u>	<u>\$ 309,772</u>	<u>\$ (440,228)</u>
Total revenues	<u>750,000</u>	<u>41,283</u>	<u>268,489</u>	<u>309,772</u>	<u>(440,228)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	<u>750,000</u>	<u>100,663</u>	<u>124,619</u>	<u>225,282</u>	<u>524,718</u>
Total expenditures	<u>750,000</u>	<u>100,663</u>	<u>124,619</u>	<u>225,282</u>	<u>524,718</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (59,380)</u>	143,870	<u>\$ 84,490</u>	<u>\$ 84,490</u>
Fund balance, beginning			<u>(59,380)</u>		
Fund balance, ending			<u>\$ 84,490</u>		

CRAVEN COUNTY, NORTH CAROLINA
REPRESENTATIVE PAYEE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted Intergovernmental	\$ 450,000	\$ 454,540	\$ 4,540
Investment Earnings	-	-	-
Total revenues	<u>450,000</u>	<u>454,540</u>	<u>4,540</u>
EXPENDITURES			
Human Services			
Payments made for the benefit of beneficiaries	<u>450,000</u>	<u>411,967</u>	<u>(38,033)</u>
Total expenditures	<u>450,000</u>	<u>411,967</u>	<u>(38,033)</u>
 Net change in fund balance	 <u>\$ -</u>	 42,573	 <u>\$ 42,573</u>
 Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>97,793</u>	
Fund balance, beginning, as restated		<u>97,793</u>	
 Fund balance, ending		 <u>\$ 140,366</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 Year Ended June 30, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
REVENUES					
Intergovernment					
HMGP 4393-0008-R					
FEMA	\$ 629,670	\$ -	\$ 393,011	\$ 393,011	\$ (236,659)
NC Dept of Public Safety	209,889	-	-	-	(209,889)
EWP Event 5038 - Hurricane Florence					
US Department of Agriculture	2,956,088	-	1,933,481	1,933,481	(1,022,607)
NC Dept of Agriculture	1,716,372	-	-	-	(1,716,372)
CCBOE Emergency Generator Project					
Goldenleaf Foundation	1,393,800	-	-	-	(1,393,800)
Miscellaneous revenue	-		2,684	2,684	2,684
Total revenues	<u>6,905,819</u>	<u>-</u>	<u>2,329,176</u>	<u>2,329,176</u>	<u>(4,576,643)</u>
EXPENDITURES					
Economic and physical development:					
HMGP 4393-008-R					
Land Acquisition	688,002	32,933	364,332	397,265	290,737
Demolition	117,156	2,425	40,784	43,209	73,947
Admin	34,401	-	25,655	25,655	8,746
Public Safety					
EWP Event 5038 - Hurricane Florence					
Contract Services	668,851		297,435	297,435	371,416
Admin	481,859	-	47,300	47,300	434,559
Grant - Construction	3,521,750	-	1,933,481	1,933,481	1,588,269
Construction - Other	20,584	-	20,584	20,584	-
Education:					
CCBOE Emergency Generator Project				-	-
Architect / Engineer	209,070	-	102,272	102,272	106,798
Construction	1,184,730	-	-	-	1,184,730
Total expenditures	<u>6,926,403</u>	<u>35,358</u>	<u>2,831,843</u>	<u>2,867,201</u>	<u>4,059,202</u>
Revenues over (under) expenditures	<u>(20,584)</u>	<u>(35,358)</u>	<u>(502,667)</u>	<u>(538,025)</u>	<u>(517,441)</u>
Other financing sources:					
EWP Event 5038 - Hurricane Florence					
Transfer from General Fund	20,584	-	20,584	20,584	-
Total other financing sources	<u>20,584</u>	<u>-</u>	<u>20,584</u>	<u>20,584</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (35,358)</u>	<u>(482,083)</u>	<u>\$ (517,441)</u>	<u>\$ (517,441)</u>
Fund balance, beginning			<u>(35,358)</u>		
Fund balance, ending			<u>\$ (538,025)</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental - lottery proceeds	\$ -	\$ 1,219,700	\$ 1,219,700
Interest	-	1,258	1,258
Total revenues	-	1,220,958	1,220,958
EXPENDITURES			
Principal	3,903,150	3,903,150	-
Interest and fiscal charges	339,589	337,240	(2,349)
Total expenditures	4,242,739	4,240,390	(2,349)
Revenues over (under) expenditures	(4,242,739)	(3,019,432)	1,223,307
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	4,239,783	5,370,758	1,130,975
Total other financing sources (uses)	4,239,783	5,370,758	1,130,975
Revenues and other sources over (under) expenditures and other financing uses	(2,956)	2,351,326	2,354,282
Appropriated fund balance	2,956	-	(2,956)
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	2,351,326	\$ 2,351,326
Fund balance, beginning		2,201,532	
Fund balance, ending		\$ 4,552,858	

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, 2021

	School Capital Fund	Convention Center Restoration Fund	ERP Software Replace Phase One	Courthouse/ EOC Recovery Project	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 777,861	\$ 684,960	\$ 285,561	\$ 1,748,382
Restricted cash	310,000	-	-	-	310,000
Sales tax receivable	-	132,893	11,040	12,335	156,268
Total assets	<u>310,000</u>	<u>910,754</u>	<u>696,000</u>	<u>297,896</u>	<u>2,214,650</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	-	260	1,421	50,926	52,607
Due to other funds	26,669	-	-	-	26,669
Total liabilities	<u>26,669</u>	<u>260</u>	<u>1,421</u>	<u>50,926</u>	<u>79,276</u>
Fund balances:					
Restricted					
Education, schools	283,331	-	-	-	283,331
General government	-	-	694,579	246,970	941,549
Economic and physical development	-	910,494	-	-	910,494
Unassigned	-	-	-	-	-
Total fund balances	<u>283,331</u>	<u>910,494</u>	<u>694,579</u>	<u>246,970</u>	<u>2,135,374</u>
Total liabilities and fund balances	<u>\$ 310,000</u>	<u>\$ 910,754</u>	<u>\$ 696,000</u>	<u>\$ 297,896</u>	<u>\$ 2,214,650</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2021

	School Capital Fund	Covention Center Restoration Fund	ERP Softwre Replace Phase One	Courthouse/ EOC Recovery Project	Total
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	83	533	442	-	1,058
County Appropriation	310,000	-	-	-	310,000
Total revenues	<u>310,083</u>	<u>533</u>	<u>442</u>	<u>-</u>	<u>311,058</u>
EXPENDITURES					
General government	-	-	86,254	1,780,129	1,866,383
Economic and physcial development	-	3,287,967	-	-	3,287,967
Public safety	-	-	-	-	-
Education	186,805	-	-	-	186,805
Total expenditures	<u>186,805</u>	<u>3,287,967</u>	<u>86,254</u>	<u>1,780,129</u>	<u>5,341,155</u>
Revenues over (under) expenditures	<u>123,278</u>	<u>(3,287,434)</u>	<u>(85,812)</u>	<u>(1,780,129)</u>	<u>(5,030,097)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	700,037	700,037
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,037</u>	<u>700,037</u>
Net change in fund balances	<u>123,278</u>	<u>(3,287,434)</u>	<u>(85,812)</u>	<u>(1,080,092)</u>	<u>(4,330,060)</u>
Fund balance, beginning	<u>160,053</u>	<u>4,197,928</u>	<u>780,391</u>	<u>1,327,062</u>	<u>6,465,434</u>
Fund balance, ending	<u>\$ 283,331</u>	<u>\$ 910,494</u>	<u>\$ 694,579</u>	<u>\$ 246,970</u>	<u>\$ 2,135,374</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, 2021

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 1,443,333	\$ 10,263	\$ 1,453,596
Total revenues	-	1,443,333	10,263	1,453,596
OTHER FINANCING SOURCES				
Transfers in (out):				
From General fund	-	11,615,741	-	11,615,741
To General fund	(2,778,310)	(1,488,355)	(193,500)	(1,681,855)
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)	(2,778,310)	8,558,289	(193,500)	8,364,789
Revenues and other sources over (under) expenditures and other financing uses	(2,778,310)	10,001,622	(183,237)	9,818,385
Appropriated fund balance	2,778,310	-	-	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ 10,001,622	(183,237)	\$ 9,818,385
Fund balance, beginning	.		10,001,622	
Fund balance, ending			\$ 9,818,385	

CRAVEN COUNTY, NORTH CAROLINA
SCHOOL CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 83	\$ 83
County Appropriation	310,000	310,000	-
Total revenues	<u>310,000</u>	<u>310,083</u>	<u>83</u>
EXPENDITURES			
Capital outlay:			
Public schools	310,000	186,805	(123,195)
Total expenditures	<u>310,000</u>	<u>186,805</u>	<u>(123,195)</u>
Revenues over (under) expenditures	<u>-</u>	<u>123,278</u>	<u>123,278</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	-	-	-
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources	<u>\$ -</u>	<u>123,278</u>	<u>\$ 123,278</u>
Fund balance, beginning		<u>160,053</u>	
Fund balance, ending		<u>\$ 283,331</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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Interest on investments	\$ 42,000	\$ 55,375	\$ 533	\$ 55,908	\$ 13,908
Total revenues	<u>42,000</u>	<u>55,375</u>	<u>533</u>	<u>55,908</u>	<u>13,908</u>
EXPENDITURES					
Capital outlay:					
Project construction	12,760,254	9,059,219	3,103,982	12,163,201	597,053
Capital outlay	250,000	258	238,051	238,309	11,691
Contingency	180,807	-	-	-	180,807
Contractor sales tax refund	-	(52,968)	(54,066)	(107,034)	107,034
Bond issuance cost	38,983	38,982	-	38,982	1
Total expenditures	<u>13,230,044</u>	<u>9,045,491</u>	<u>3,287,967</u>	<u>12,333,458</u>	<u>896,586</u>
Revenues over (under) expenditures	<u>(13,188,044)</u>	<u>(8,990,116)</u>	<u>(3,287,434)</u>	<u>(12,277,550)</u>	<u>910,494</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>13,188,044</u>	<u>-</u>	<u>13,188,044</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 4,197,928</u>	<u>\$ (3,287,434)</u>	<u>\$ 910,494</u>	<u>\$ 910,494</u>
Fund balance, beginning			<u>4,197,928</u>		
Fund balance, ending			<u>\$ 910,494</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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Interest	\$ -	\$ 448	\$ 442	\$ 890	\$ 890
Total revenues	-	448	442	890	890
EXPENDITURES					
Capital outlay:					
Project construction	1,643,511	1,184,051	86,254	1,270,305	373,206
Capital outlay	231,084	5,995	-	5,995	225,089
Contingency	97,494	2,100	-	2,100	95,394
Total expenditures	1,972,089	1,192,146	86,254	1,278,400	693,689
Revenues over (under) expenditures	(1,972,089)	(1,191,698)	(85,812)	(1,277,510)	694,579
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	\$ -	\$ 780,391	(85,812)	\$ 694,579	\$ 694,579
Fund balance, beginning			780,391		
Fund balance, ending			\$ 694,579		

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, 2021

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
REVENUES					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Capital outlay:					
Project construction	2,505,384	567,391	1,789,872	2,357,263	148,121
Contingency	89,106	-	1,865	1,865	87,241
Sales tax refund	-	-	(11,608)	(11,608)	11,608
Total expenditures	2,594,490	567,391	1,780,129	2,347,520	246,970
Revenues over (under) expenditures	(2,594,490)	(567,391)	(1,780,129)	(2,347,520)	(246,970)
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	2,594,490	1,894,453	700,037	2,594,490	-
Total other financing sources (uses)	2,594,490	1,894,453	700,037	2,594,490	-
Revenues and other sources over expenditures and other uses	\$ -	\$ 1,327,062	\$ (1,080,092)	\$ 246,970	\$ (246,970)
Fund balance, beginning			1,327,062		
Fund balance, ending			\$ 246,970		

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)
- Craven County Water Capital Project Fund (Consolidated with the Operating 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, 2021

	Water Operating Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,214,193
Short-term investments	4,997,433
Accounts receivable, net of allowance for doubtful accounts	510,795
Prepays	57,447
Total current assets	<u>13,779,868</u>
Noncurrent assets	
Restricted cash and cash equivalents	315,755
Capital assets:	
Land	947,354
Construction in process	772,374
Improvement other than buildings	30,153,431
Buildings	30,695,648
Machinery and equipment	581,058
Accumulated depreciation	<u>(23,538,623)</u>
Total capital assets, net of accumulated depreciation	<u>37,891,514</u>
Total noncurrent assets	<u>39,926,997</u>
Total assets	<u>53,706,865</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>270,863</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	
Current liabilities:	
Accounts payable	285,869
Accrued salaries and benefits	23,831
Accrued payroll taxes	(108)
Accrued interest payable	1,421
Customer deposits payable	315,755
Compensated absences liability - current	27,774
Debt payable - current	808,949
Obligations under capital lease - current	80,115
Total current liabilities	<u>1,543,606</u>
Noncurrent liabilities	
Compensated absence liability	34,787
Net pension liability	320,273
Total OPEB liability	313,843
Debt payable	12,134,247
Obligations under capital lease	240,342
Total noncurrent liabilities	<u>13,043,492</u>
Total liabilities	<u>14,587,098</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,243</u>
NET POSITION	
Net investment in capital assets	26,347,589
Unrestricted	13,029,798
Total net position	<u><u>\$ 39,377,387</u></u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER FUND

DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2021

	Craven County Water Operating Fund
OPERATING REVENUES	
Charges for services	\$ 4,205,475
Miscellaneous	84,564
Total operating revenues	<u>4,290,039</u>
OPERATING EXPENSES	
Cost of services	2,510,919
Depreciation	1,680,666
Total operating expenses	<u>4,191,585</u>
Operating Income	<u>98,454</u>
NONOPERATING REVENUES AND EXPENSES	
Interest income	12,454
FEMA Grant	62,864
Interest expense	(10,300)
Total nonoperating	<u>65,018</u>
Income before transfers	<u>163,472</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>33,472</u>
Net position, beginning	<u>39,343,915</u>
Net position, ending	<u><u>\$ 39,377,387</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water and sewer sales	\$ 3,700,000	\$ 3,920,580	\$ 220,580
Tap and permit fees	228,500	284,895	56,395
Miscellaneous	158,800	84,564	(74,236)
Total operating revenues	<u>4,087,300</u>	<u>4,290,039</u>	<u>202,739</u>
OPERATING EXPENSES			
Personnel services:			
Salaries	700,724	679,208	(21,516)
Employee benefits	259,195	218,384	(40,811)
Retirement	144,687	96,197	(48,490)
Professional services:			
Audit and accounting fees	3,000	1,036	(1,964)
Legal fees	-	-	-
Engineering fees	1,512	1,512	-
Contractual services	75,460	74,960	(500)
Operating supplies	15,778	15,239	(539)
Utilities	360,647	360,525	(122)
Maintenance and repairs:			
Systems	185,603	185,602	(1)
Building and grounds	86,500	84,554	(1,946)
Vehicle expense	86,588	71,144	(15,444)
Equipment	3,461	1,540	(1,921)
Sanitation	-	-	-
Hurricane expenses	-	-	-
Insurance	83,771	83,771	-
Tap outlays	141,816	141,816	-
Telephone and postage	20,660	19,152	(1,508)
Lockbox	98,000	94,059	(3,941)
Chemical and lab work	172,481	172,481	-
Supplies	7,000	6,869	(131)
Capital outlay	670,055	423,293	(246,762)
Bad debt Expenses	20,000	20,000	-
Miscellaneous	18,441	15,426	(3,015)
Total operating expenses	<u>3,155,379</u>	<u>2,766,768</u>	<u>(388,611)</u>
Excess of operating revenues over operating expenditures	<u>931,921</u>	<u>1,523,271</u>	<u>591,350</u>
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	100,000	12,454	(87,546)
Interest paid	(12,856)	(10,300)	2,556
FEMA Grant	-	62,864	62,864
Principal payments	(889,065)	(889,064)	1
Total nonoperating revenues (expenditures)	<u>(801,921)</u>	<u>(824,046)</u>	<u>(22,125)</u>
Excess of revenues over expenditures	<u>130,000</u>	<u>699,225</u>	<u>569,225</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Transfer in (out):			
From General Fund	18,000	18,000	-
To General Fund	(148,000)	(148,000)	-
To Water Project Fund	(803,763)	(803,763)	-
Appropriated Fund Balance	803,763	-	803,763
Total other financing sources (uses)	<u>(130,000)</u>	<u>(933,763)</u>	<u>803,763</u>
 Excess of revenues over (under) expenditures and other financing sources (uses)	 <u>\$ -</u>	 <u>\$ (234,538)</u>	 <u>\$ 1,372,988</u>

**Reconciliation of modified accrual basis with full
accrual basis:**

Excess of revenues over (under) expenditures and other financing sources (uses), modified accrual basis, above	\$ (234,538)
Capital outlay	358,046
Debt principal payments	889,064
Depreciation	(1,680,666)
Increase (decrease) in deferred outflows of resources - pensions	46,805
Increase (decrease) in deferred outflows of resources - OPEB	35,006
(Increase) decrease in compensated absences	(19,386)
(Increase) decrease in total OPEB liability	(66,861)
(Increase) decrease in net pension liability	(95,201)
(Increase) decrease in deferred inflows of resources - pensions	-
(Increase) decrease in deferred inflows of resources - OPEB	(2,560)
Transfers to project funds	803,763
 Change in net position, full accrual basis	 <u>\$ 33,472</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	\$ -	\$ -	\$ -
Interest paid	(12,856)	(10,300)	2,556
Principal payments	<u>(80,115)</u>	<u>(80,114)</u>	<u>1</u>
Total nonoperating revenues (expenditures)	<u>(92,971)</u>	<u>(90,414)</u>	<u>2,557</u>
 OTHER FINANCING SOURCES (USES)			
Direct financing lease proceeds	<u>92,971</u>	<u>90,769</u>	<u>2,202</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>	

CRAVEN COUNTY, NORTH CAROLINA
WATER 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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
REVENUES					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Engineer	548,000	153,914	112,235	266,149	281,851
Construction	255,763	-	224,306	224,306	31,457
Sales tax refund	-	-	(4,343)	(4,343)	4,343
Total expenditures	<u>803,763</u>	<u>153,914</u>	<u>332,198</u>	<u>486,112</u>	<u>317,651</u>
Excess of revenues over (under) expenditures	<u>(803,763)</u>	<u>(153,914)</u>	<u>(332,198)</u>	<u>(486,112)</u>	<u>317,651</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From Water Fund	803,763	-	803,763	803,763	-
Total other financing sources (uses)	<u>803,763</u>	<u>-</u>	<u>803,763</u>	<u>803,763</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$(153,914)</u>	<u>\$ 471,565</u>	<u>\$ 317,651</u>	<u>\$ 317,651</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures: and other financing sources, modified accrual basis, above			\$ 471,565		
Capital outlay			<u>332,198</u>		
Change in net position, full accrual basis			<u>\$ 803,763</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 6,880,500	\$ 6,925,326	\$ 44,826
Miscellaneous	<u>-</u>	<u>196,520</u>	<u>196,520</u>
Total operating revenues	<u>6,880,500</u>	<u>7,121,846</u>	<u>241,346</u>
OPERATING EXPENDITURES			
Claims reimbursement	6,880,500	6,421,972	458,528
Vehicle expense	1,765	1,765	-
Capital outlay	<u>48,235</u>	<u>-</u>	<u>48,235</u>
Total operating expenditures	<u>6,930,500</u>	<u>6,423,737</u>	<u>506,763</u>
Excess of operating revenues over (under) operating expenditures	<u>(50,000)</u>	<u>698,109</u>	<u>748,109</u>
NONOPERATING REVENUES			
Interest Income	<u>-</u>	<u>2,562</u>	<u>2,562</u>
Excess of operating revenues and nonoperating revenue over operating expenditures	<u>(50,000)</u>	<u>700,671</u>	<u>750,671</u>
OTHER FINANCING SOURCES (USES)			
Transfer out:			
From General Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing uses	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess of revenues under expenditures	<u>\$ -</u>	<u>\$ 750,671</u>	<u>\$ 750,671</u>

CUSTODIAL FUNDS

Custodial 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 Custodial Funds:

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

Jail Inmate Pay Fund - This fund holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 46,312	\$ 46,312
Taxes receivable for other governments, net	<u>220,237</u>	<u>-</u>	<u>220,237</u>
Total assets	<u>220,237</u>	<u>46,312</u>	<u>266,549</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	<u>220,237</u>	<u>46,312</u>	<u>266,549</u>
Total net position	<u><u>\$ 220,237</u></u>	<u><u>\$ 46,312</u></u>	<u><u>\$ 266,549</u></u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Ad valorem taxes for other governments	\$ 21,732,540	\$ -	\$ 21,732,540
Collections on behalf of inmates	-	949,711	949,711
Total additions	<u>21,732,540</u>	<u>949,711</u>	<u>22,682,251</u>
DEDUCTIONS			
Tax distributions to other governments	21,782,796	-	21,782,796
Payments on behalf of inmates	-	975,901	975,901
Total deductions	<u>21,782,796</u>	<u>975,901</u>	<u>22,758,697</u>
Net increase (decrease) in fiduciary net position	(50,256)	(26,190)	(76,446)
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	270,493	72,502	342,995
Net position, beginning, as restated	<u>270,493</u>	<u>72,502</u>	<u>342,995</u>
Net position, ending	<u><u>\$ 220,237</u></u>	<u><u>\$ 46,312</u></u>	<u><u>\$ 266,549</u></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 Year Ended June 30, 2021

Fiscal Year Ended June 30,	Uncollected Balance June 30, 2020	Additions	Collections Credits and Adjustments	Uncollected Balance June 30, 2021
2021	\$ -	\$ 55,022,220	\$ 54,599,304	\$ 422,916
2020	608,147	-	385,068	223,079
2019	182,887	-	66,910	115,977
2018	92,819	-	15,161	77,658
2017	82,531	-	10,050	72,481
2016	60,837	-	4,562	56,275
2015	53,416	-	3,727	49,689
2014	105,413	-	4,684	100,729
2013	132,251	-	3,663	128,588
2012	116,501	-	2,368	114,133
2011	86,580	-	86,580	-
	<u>\$ 1,521,382</u>	<u>\$ 55,022,220</u>	<u>\$ 55,182,077</u>	<u>\$ 1,361,525</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>700,000</u>
				<u>\$ 661,525</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 55,350,382
Less: Interest collected				(248,131)
Less: Collection of taxes older than ten years				(24,666)
Plus: Abatements and adjustments of prior year taxes				104,492
Total collections and credits				<u>\$ 55,182,077</u>

CRAVEN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
For the Year Ended June 30, 2021

				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	\$ 9,650,240,904	\$ 0.5494	\$ 53,018,427	\$ 48,240,239	\$ 4,778,188
Motor vehicles taxed at prior year's rate	287,686,684	0.5494	1,580,551	-	1,580,551
Penalties			150,561	150,561	-
	<u>\$ 9,937,927,588</u>		<u>\$ 54,749,539</u>	<u>\$ 48,390,800</u>	<u>\$ 6,358,739</u>
DISCOVERIES					
	85,876,178		462,617	462,617	-
	<u>\$ 10,023,803,766</u>		<u>\$ 55,212,156</u>	<u>\$ 48,853,417</u>	<u>\$ 6,358,739</u>
ABATEMENTS					
	<u>(30,169,480)</u>		<u>(189,936)</u>	<u>(189,936)</u>	<u>-</u>
Total property valuation	<u><u>\$ 9,993,634,286</u></u>				
Net Levy			\$ 55,022,220	\$ 48,663,481	\$ 6,358,739
Uncollected taxes at June 30, 2021			422,916	422,916	-
Current year's taxes collected			<u>\$ 54,599,304</u>	<u>\$ 48,240,565</u>	<u>\$ 6,358,739</u>
Current levy collection percentage			<u>99.23%</u>	<u>99.13%</u>	<u>100.00%</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, 2021

ASSETS

Cash and cash equivalents	\$ 410,999
Accounts receivable	<u>64,447</u>
	<u>475,446</u>

LIABILITIES

Accounts payable	<u>14,362</u>
	<u>14,362</u>

Net position:

Unrestricted	
accrued liabilities	<u><u>\$ 461,084</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 415,000	\$ 554,245	\$ 139,245
Grant	17,000	17,000	-
Miscellaneous	-	3,116	3,116
Total revenues	<u>432,000</u>	<u>574,361</u>	<u>142,361</u>
EXPENDITURES			
Economic development	<u>629,248</u>	<u>605,143</u>	<u>(24,105)</u>
Revenues over (under) expenditures	(197,248)	(30,782)	166,466
Other financing sources (uses)			
Appropriated fund balance	<u>197,248</u>	<u>-</u>	<u>(197,248)</u>
Total other financing sources (uses)	<u>197,248</u>	<u>-</u>	<u>(197,248)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>(30,782)</u>	<u>\$ (30,782)</u>
NET POSITION			
Beginning		<u>491,866</u>	
Ending		<u>\$ 461,084</u>	

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

COMBINING STATEMENT OF NET POSITION
June 30, 2021

	Airport Authority Operating 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 Improvement Project Fund	Airport Reserve Fund	Totals
ASSETS											
Cash and cash equivalents	\$ 6,247,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,205	\$ 4,359	\$ 683,522	\$ 629,360	\$ 7,589,252
Restricted Cash	-	-	-	-	381,848	-	-	-	-	-	381,848
Accounts receivable	81,016	-	-	12,026	81	3,526	10,110	36,242	863,182	-	1,006,183
Due from other governments	654,441	-	-	-	-	-	-	-	-	-	654,441
Due from other funds	76,359	-	-	-	-	-	-	-	-	-	76,359
Prepaid assets	1,175	-	-	-	-	-	-	-	-	-	1,175
Total current assets	<u>7,060,797</u>	<u>-</u>	<u>-</u>	<u>12,026</u>	<u>381,929</u>	<u>3,526</u>	<u>34,315</u>	<u>40,601</u>	<u>1,546,704</u>	<u>629,360</u>	<u>9,709,258</u>
Capital assets:											
Land	9,930,991	-	-	-	-	-	-	-	-	-	9,930,991
Buildings	10,390,579	-	-	-	-	-	-	-	-	-	10,390,579
Improvements other than buildings	33,269,764	-	-	-	-	-	-	-	-	-	33,269,764
Machinery and Equipment	2,361,006	-	-	-	-	-	-	-	-	-	2,361,006
Construction in progress	-	397,298	249,087	2,977,970	110,554	300,000	5,650,494	1,335,329	4,818,325	-	15,839,057
Accumulated depreciation	<u>(23,299,761)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,299,761)</u>
Capital assets, net of accumulated depreciation	<u>32,652,579</u>	<u>397,298</u>	<u>249,087</u>	<u>2,977,970</u>	<u>110,554</u>	<u>300,000</u>	<u>5,650,494</u>	<u>1,335,329</u>	<u>4,818,325</u>	<u>-</u>	<u>48,491,636</u>
Total assets	<u>39,713,376</u>	<u>397,298</u>	<u>249,087</u>	<u>2,989,996</u>	<u>492,483</u>	<u>303,526</u>	<u>5,684,809</u>	<u>1,375,930</u>	<u>6,365,029</u>	<u>629,360</u>	<u>58,200,894</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>231,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,460</u>
LIABILITIES											
Accounts payable	107,039	-	-	-	-	-	11,594	36,242	894,540	-	1,049,415
Accrued salaries and benefits	62,614	-	-	-	-	-	-	-	-	-	62,614
Due to other funds	-	-	-	12,564	-	3,526	22,093	38,176	-	-	76,359
Net pension liability	216,550	-	-	-	-	-	-	-	-	-	216,550
Total OPEB liability	<u>287,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,855</u>
Total liabilities	<u>674,058</u>	<u>-</u>	<u>-</u>	<u>12,564</u>	<u>-</u>	<u>3,526</u>	<u>33,687</u>	<u>74,418</u>	<u>894,540</u>	<u>-</u>	<u>1,692,793</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,686</u>
NET POSITION											
Net investments in capital assets	32,652,579	397,298	249,087	2,977,970	110,554	300,000	5,650,494	1,335,329	4,818,325	-	48,491,636
Unrestricted	<u>6,604,513</u>	<u>-</u>	<u>-</u>	<u>(538)</u>	<u>381,929</u>	<u>-</u>	<u>628</u>	<u>(33,817)</u>	<u>652,164</u>	<u>629,360</u>	<u>8,234,239</u>
Total net position	<u>39,257,092</u>	<u>397,298</u>	<u>249,087</u>	<u>2,977,432</u>	<u>492,483</u>	<u>300,000</u>	<u>5,651,122</u>	<u>1,301,512</u>	<u>5,470,489</u>	<u>629,360</u>	<u>56,725,875</u>
Total liabilities and net position:	<u>\$ 39,931,150</u>	<u>\$ 397,298</u>	<u>\$ 249,087</u>	<u>\$ 2,989,996</u>	<u>\$ 492,483</u>	<u>\$ 303,526</u>	<u>\$ 5,684,809</u>	<u>\$ 1,375,930</u>	<u>\$ 6,365,029</u>	<u>\$ 629,360</u>	<u>\$ 58,418,668</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 Year Ended June 30, 2021

	Airport Authority Operating 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 Improvement Project Fund	Airport Reserve Fund	Totals
OPERATING REVENUES											
Charges for services	\$ 1,291,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,291,669
Passenger facility fee	245,385	-	-	-	-	-	-	-	-	-	245,385
Miscellaneous	18,083	-	-	-	-	-	-	-	-	-	18,083
Total operating revenues	<u>1,555,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,555,137</u>
OPERATING EXPENDITURES											
Cost of sales and services	2,715,075	-	-	-	-	-	-	-	-	-	2,715,075
Depreciation and amortization	1,295,241	-	-	-	-	-	-	-	-	-	1,295,241
Total operating expenditures	<u>4,010,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,010,316</u>
Operating Income (Loss)	<u>(2,455,179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,455,179)</u>
NONOPERATING REVENUES (EXPENSES)											
Interest Income	3,557	-	-	-	-	-	-	-	-	375	3,932
Project reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>3,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>3,932</u>
Income (Loss) before transfers	<u>(2,451,622)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>(2,451,247)</u>
Transfers in (out) Airport Funds	(1,298,706)	(3,737)	-	-	-	-	-	-	1,302,443	-	-
Capital contributions - federal and state grants	4,629,158	97,418	-	-	-	-	161,699	529,092	4,168,046	-	9,585,413
Change in net position	<u>878,830</u>	<u>93,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,699</u>	<u>529,092</u>	<u>5,470,489</u>	<u>375</u>	<u>7,134,166</u>
Net position, beginning	<u>38,378,262</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>-</u>	<u>628,985</u>	<u>49,591,709</u>
Net position, ending	<u>\$ 39,257,092</u>	<u>\$ 397,298</u>	<u>\$ 249,087</u>	<u>\$ 2,977,432</u>	<u>\$ 492,483</u>	<u>\$ 300,000</u>	<u>\$ 5,651,122</u>	<u>\$ 1,301,512</u>	<u>\$ 5,470,489</u>	<u>\$ 629,360</u>	<u>\$ 56,725,875</u>

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

COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2021

	Airport Authority Operating 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 Improvement Project Fund	Airport Reserve Fund	Totals
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES											
Receipts for customers and users	\$ 1,241,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,543
Receipts from passenger facility fees	245,385	-	-	-	-	-	-	-	-	-	245,385
Miscellaneous receipts	18,083	-	-	-	-	-	-	-	-	-	18,083
Payments to suppliers	(1,783,240)	-	-	-	-	-	-	-	-	-	(1,783,240)
Payments to employees	(1,111,701)	-	-	-	-	-	-	-	-	-	(1,111,701)
Net cash provided by (used in) operating activities	(1,389,930)	-	-	-	-	-	-	-	-	-	(1,389,930)
CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES											
Acquisition & construction of capital assets	(556,170)	(100,693)	-	-	-	-	(179,665)	(404,259)	(3,907,199)	-	(5,147,986)
Receipts from capital grants	4,810,010	97,418	-	3,392	-	-	189,295	529,092	3,304,864	-	8,934,071
Project reimbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	4,253,840	(3,275)	-	3,392	-	-	9,630	124,833	(602,335)	-	3,786,085
CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES											
Transfers in	3,737	-	-	-	-	-	-	-	1,302,443	-	1,306,180
Transfers out	(1,302,443)	(3,737)	-	-	-	-	-	-	-	-	(1,306,180)
Transfer CIP between funds	256,030	(5,033)	-	-	-	-	-	(234,411)	(16,586)	-	-
Due to (from) other funds	(34,359)	-	-	(3,392)	-	(15,000)	14,575	38,176	-	-	-
Net cash provided by (used in) noncapital financing activities	(1,077,035)	(8,770)	-	(3,392)	-	(15,000)	14,575	(196,235)	1,285,857	-	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Interest on cash and investments	3,557	-	-	-	-	-	-	-	-	375	3,932
Net cash provided by investing activities	3,557	-	-	-	-	-	-	-	-	375	3,932
Net increase (decrease) in cash and cash equivalents	1,790,432	(12,045)	-	-	-	(15,000)	24,205	(71,402)	683,522	375	2,400,087
CASH AND CASH EQUIVALENTS											
Beginning	4,457,374	12,045	-	-	381,848	15,000	-	75,761	-	628,985	5,571,013
Ending	\$ 6,247,806	\$ -	\$ -	\$ -	\$ 381,848	\$ -	\$ 24,205	\$ 4,359	\$ 683,522	\$ 629,360	\$ 7,971,100

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

COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2021

	Airport Authority Operating 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 Improvement Project Fund	Airport Reserve Fund	Totals
Reconciliation of operating loss to net cash provided by (used in) operating activities:											
Operating loss	\$ (2,455,179)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,455,179)
Adjustments to reconcile operating loss to net cash provided by operating activities:											
Depreciation and amortization	1,295,241	-	-	-	-	-	-	-	-	-	1,295,241
Change in assets, liabilities, and deferred inflows and outflows:											
(Increase) decrease in accounts receivable	(50,126)	-	-	-	-	-	-	-	-	-	(50,126)
(Increase) decrease in prepaid expense	(1,175)	-	-	-	-	-	-	-	-	-	(1,175)
(Increase) decrease in deferred outflows of resources - pension	(42,639)	-	-	-	-	-	-	-	-	-	(42,639)
(Increase) decrease in deferred outflows of resources - OPEB	(26,952)	-	-	-	-	-	-	-	-	-	(26,952)
Increase (decrease) in accounts payable	(238,403)	-	-	-	-	-	-	-	-	-	(238,403)
Increase (decrease) in accrued payroll	29,745	-	-	-	-	-	-	-	-	-	29,745
Increase (decrease) in net pension liability	69,626	-	-	-	-	-	-	-	-	-	69,626
Increase (decrease) in total OPEB liability	28,785	-	-	-	-	-	-	-	-	-	28,785
Increase (decrease) in deferred inflows of resources - pension	(333)	-	-	-	-	-	-	-	-	-	(333)
Increase (decrease) in deferred inflows of resources - OPEB	1,480	-	-	-	-	-	-	-	-	-	1,480
Net cash provided by (used in) operating activities	<u>\$ (1,389,930)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,389,930)</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 Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 1,118,510	\$ 1,291,669	\$ 173,159
Passenger facility fee	232,200	245,385	13,185
Miscellaneous	7,440	18,083	10,643
Total operating revenues	<u>1,358,150</u>	<u>1,555,137</u>	<u>196,987</u>
OPERATING EXPENDITURES			
Personnel Services:			
Salaries	985,106	904,638	80,468
Employee benefits	181,103	141,765	39,338
Retirement	110,336	82,482	27,854
Professional Services:			
Audit and accounting fees	3,142	3,051	91
Legal fees	74,516	65,529	8,987
Contractual services	540,100	467,666	72,434
Operating supplies	50,500	45,262	5,238
Utilities	144,000	131,690	12,310
Maintenance and repairs:			
Buildings and grounds	148,500	139,828	8,672
Vehicle expense	14,000	12,881	1,119
Insurance	156,100	155,147	953
Telephone and postage	17,525	17,353	172
Capital outlay	1,447,105	556,169	890,936
Sanitation - Hurricane Florence	-	-	-
Miscellaneous	53,900	42,439	11,461
Travel/Training	19,900	13,369	6,531
Advertising	365,500	353,200	12,300
Dues and subscriptions	30,885	26,890	3,995
Total operating expenditures	<u>4,342,218</u>	<u>3,159,359</u>	<u>1,182,859</u>
Excess of operating revenues over (under) operating expenditures	<u>(2,984,068)</u>	<u>(1,604,222)</u>	<u>1,379,846</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	2,200	3,557	1,357
Project reimbursement			
Capital contributions - intergovernmental grants	3,158,510	4,629,158	1,470,648
Total nonoperating revenues (expenses)	<u>3,160,710</u>	<u>4,632,715</u>	<u>1,472,005</u>
Excess of revenues over expenditures	<u>176,642</u>	<u>3,028,493</u>	<u>2,851,851</u>
OTHE FINANCING SOURCES (USES)			
Transfers in (out):			
From airport project funds	-	3,737	3,737
To airport project funds	(2,241,535)	(1,302,443)	939,092
Appropriated Fund Balance	2,064,893	-	(2,064,893)
Total other financing sources (uses)	<u>(176,642)</u>	<u>(1,298,706)</u>	<u>(1,122,064)</u>
Excess revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 1,729,787</u>	<u>\$ 1,729,787</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 Year Ended June 30, 2021

	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		\$ 1,729,787	
Capital outlay		486,812	
Depreciation		(1,295,241)	
Increase (decrease) in deferred outflows of resources - pensions		42,639	
Increase (decrease) in deferred outflows of resources - OPEB		26,952	
(Increase) decrease in compensated absences		(12,561)	
(Increase) decrease in total OPEB liability		(28,785)	
(Increase) decrease in net pension liability		(69,626)	
(Increase) decrease in deferred inflows of resources - pensions		333	
(Increase) decrease in deferred inflows of resources - OPEB		(1,480)	
Transfer of asset from project fund to operating fund		-	
Change in net position, full accrual basis		<u>\$ 878,830</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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal grants	\$ 363,969	\$ 263,176	\$ 97,418	\$ 360,594
Total revenues	<u>363,969</u>	<u>263,176</u>	<u>97,418</u>	<u>360,594</u>
EXPENDITURES				
Capital outlay:				
Administrative	404,410	296,605	100,693	397,298
Total expenditures	<u>404,410</u>	<u>296,605</u>	<u>100,693</u>	<u>397,298</u>
Excess of revenues over (under) expenditures	<u>(40,441)</u>	<u>(33,429)</u>	<u>(3,275)</u>	<u>(36,704)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	40,441	40,441	-	40,441
To Airport Improvement Project	-	-	(3,737)	(3,737)
Total other financing sources (uses)	<u>40,441</u>	<u>40,441</u>	<u>(3,737)</u>	<u>36,704</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ (7,012)</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			\$ (7,012)	
Capital outlay			<u>100,693</u>	
Change in net position, full accrual basis			<u>\$ 93,681</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, 2021

	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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
State grants	\$ 3,000,000	\$ 2,977,432	\$ -	\$ 2,977,432
Total revenues	<u>3,000,000</u>	<u>2,977,432</u>	<u>-</u>	<u>2,977,432</u>
EXPENDITURES				
Capital outlay:				
Administrative	4,600	3,600	-	3,600
Construction	<u>2,995,400</u>	<u>2,974,370</u>	<u>-</u>	<u>2,974,370</u>
Total expenditures	<u>3,000,000</u>	<u>2,977,970</u>	<u>-</u>	<u>2,977,970</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(538)</u>	<u>-</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>\$ (538)</u>	<u>\$ -</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			\$ -	
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)
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, 2021

	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>110,554</u>	<u>-</u>	<u>110,554</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>542,608</u>	<u>-</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>\$ 381,929</u>	<u>\$ -</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			\$ -	
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)
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, 2021

	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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 5,185,000	\$ 4,913,312	\$ 161,699	\$ 5,075,011
Total revenues	<u>5,185,000</u>	<u>4,913,312</u>	<u>161,699</u>	<u>5,075,011</u>
EXPENDITURES				
Capital outlay:				
Administrative	5,280	9,225	18,411	27,636
Construction	5,720,010	5,416,808	172,848	5,589,656
Land	<u>35,821</u>	<u>33,202</u>	<u>-</u>	<u>33,202</u>
Total expenditures	<u>5,761,111</u>	<u>5,459,235</u>	<u>191,259</u>	<u>5,650,494</u>
Excess of revenues over (under) expenditures	<u>(576,111)</u>	<u>(545,923)</u>	<u>(29,560)</u>	<u>(575,483)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	<u>576,111</u>	<u>576,111</u>	<u>-</u>	<u>576,111</u>
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>\$ 30,188</u>	<u>\$ (29,560)</u>	<u>\$ 628</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ (29,560)	
Capital Outlay			<u>191,259</u>	
Change in net position, full accrual basis			<u>\$ 161,699</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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 1,357,964	\$ 621,535	\$ 529,092	\$ 1,150,627
Total revenues	<u>1,357,964</u>	<u>621,535</u>	<u>529,092</u>	<u>1,150,627</u>
EXPENDITURES				
Capital outlay:				
Construction / Architect / Engineer	<u>1,508,849</u>	<u>931,070</u>	<u>404,259</u>	<u>1,335,329</u>
Total expenditures	<u>1,508,849</u>	<u>931,070</u>	<u>404,259</u>	<u>1,335,329</u>
Excess of revenues over (under) expenditures	<u>(150,885)</u>	<u>(309,535)</u>	<u>124,833</u>	<u>(184,702)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	<u>150,885</u>	<u>150,885</u>	<u>-</u>	<u>150,885</u>
Total other financing sources (uses)	<u>150,885</u>	<u>150,885</u>	<u>-</u>	<u>150,885</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (158,650)</u>	<u>\$ 124,833</u>	<u>\$ (33,817)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 124,833	
Capital Outlay			<u>404,259</u>	
Change in net position, full accrual basis			<u>\$ 529,092</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRPORT IMPROVEMENT 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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 7,574,595	\$ -	\$ 4,168,046	\$ 4,168,046
Total revenues	<u>7,574,595</u>	<u>-</u>	<u>4,168,046</u>	<u>4,168,046</u>
EXPENDITURES				
Capital outlay:				
Administrative	954,526	15,247	425,964	441,211
Construction	7,175,464	1,339	4,389,465	4,390,804
Equipment	747,048	-	-	-
Sales Tax Refund	-	-	(13,690)	(13,690)
Total expenditures	<u>8,877,038</u>	<u>16,586</u>	<u>4,801,739</u>	<u>4,818,325</u>
Excess of revenues over (under) expenditures	<u>(1,302,443)</u>	<u>(16,586)</u>	<u>(633,693)</u>	<u>(650,279)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	1,302,443	-	1,302,443	1,302,443
Total other financing sources (uses)	<u>1,302,443</u>	<u>-</u>	<u>1,302,443</u>	<u>1,302,443</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (16,586)</u>	<u>\$ 668,750</u>	<u>\$ 652,164</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 668,750	
Capital Outlay			<u>4,801,739</u>	
Change in net position, full accrual basis			<u>\$ 5,470,489</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, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 44,071	\$ 375	\$ 44,446
Total revenues	-	44,071	375	44,446
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	\$ -	\$ 628,985	\$ 375	\$ 629,360
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 375	
Change in net position, full accrual basis			\$ 375	

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>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>2021</u>
<u>Governmental activities</u>										
Net investment in capital assets	\$ 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	\$ 53,731,048
Restricted	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	29,444,458
Unrestricted (deficit)	<u>(13,148,958)</u>	<u>(11,378,791)</u>	<u>(8,377,381)</u>	<u>(4,408,502)</u>	<u>(1,596,184)</u>	<u>5,346,096</u>	<u>1,530,331</u>	<u>3,642,078</u>	<u>1,260,991</u>	<u>9,435,909</u>
Total governmental activities net position	<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>\$ 92,611,415</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 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	\$ 26,347,589
Unrestricted	<u>14,546,045</u>	<u>14,736,630</u>	<u>18,968,230</u>	<u>15,100,037</u>	<u>11,950,188</u>	<u>11,911,171</u>	<u>12,101,314</u>	<u>12,692,737</u>	<u>12,894,970</u>	<u>13,029,798</u>
Total business-type activities net position	<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>\$ 39,377,387</u>
<u>Primary government</u>										
Net investment in capital assets	\$ 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	\$ 80,078,637
Restricted	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	29,444,458
Unrestricted (deficit)	<u>1,397,087</u>	<u>3,357,839</u>	<u>10,590,849</u>	<u>10,691,535</u>	<u>10,354,004</u>	<u>17,257,267</u>	<u>13,631,645</u>	<u>16,334,815</u>	<u>14,155,961</u>	<u>22,465,707</u>
Total primary government net position	<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>	<u>\$ 131,988,802</u>

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

	<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>2021</u>
<u>Expenses</u>		<u>(as reclassified)</u>								
Governmental activities:										
General government	\$ 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	\$ 14,737,395
Public safety	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	29,041,862
Social services	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	21,217,884
Economic and physical development	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	4,701,754
Environmental protection	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	7,259,522
Health	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	11,306,997
Cultural and recreation	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	2,700,856
Education	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	29,087,523
Interest on long term debt	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	1,256,730
Total governmental activities	<u>96,649,668</u>	<u>95,459,075</u>	<u>95,568,546</u>	<u>95,788,972</u>	<u>100,285,021</u>	<u>102,636,478</u>	<u>100,740,812</u>	<u>113,897,632</u>	<u>112,115,676</u>	<u>121,310,523</u>
Business-type activities:										
Water	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	4,201,885
Total primary government expenses	<u>\$ 99,154,449</u>	<u>\$ 97,888,051</u>	<u>\$ 98,127,975</u>	<u>\$ 98,299,606</u>	<u>\$ 102,774,897</u>	<u>\$ 105,303,494</u>	<u>\$ 104,079,526</u>	<u>\$ 117,988,491</u>	<u>\$ 116,204,925</u>	<u>\$ 125,512,408</u>
<u>Program Revenues</u>										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,978,362
Public safety	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	3,544,044
Social services	746,897	920,099	597,505	572,655	630,752	559,026	595,252	2,520,085	760,964	409,522
Economic and physical development	1,094,565	1,211,200	1,244,763	925,772	1,052,562	1,101,404	1,159,464	216,037	51,230	50,225
Environmental protection	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	3,934,623
Health	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	5,223,450
Cultural and recreation	75,810	80,782	89,512	69,062	66,145	61,401	59,372	324,505	371,788	235,893
Operating grants and contributions:										
General government	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	10,241,514
Public safety	845,729	824,904	645,226	430,833	651,546	678,254	489,762	1,762,796	1,155,417	3,719,530
Social services	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	12,910,778
Economic and physical development	32,998	34,034	-	1,453,613	1,252,208	1,346,255	630,177	66,283	657,792	1,598,984
Environmental protection	143,389	143,267	253,420	196,894	158,994	158,668	202,131	739,981	227,652	159,586
Health	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	7,656,387
Cultural and recreation	49,500	37,500	51,500	61,000	563,280	313,000	-	42,000	22,000	63,819
Education	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Public safety	4,472	-	-	-	-	-	-	-	-	-
Social services	117,377	134,820	255,086	181,004	120,012	-	138,417	154,529	154,899	209,441
Economic and physical development	580,782	452,809	204,085	-	-	-	515,000	-	-	-
Cultural and recreation	-	47,731	-	-	-	-	-	-	-	-
Education	1,129,230	1,010,010	1,030,840	926,810	1,083,080	842,910	944,400	981,500	1,029,300	1,529,700
Total governmental activities program revenues	<u>35,888,530</u>	<u>36,140,010</u>	<u>35,472,964</u>	<u>37,456,078</u>	<u>40,131,343</u>	<u>40,256,980</u>	<u>36,518,875</u>	<u>43,025,073</u>	<u>41,060,863</u>	<u>53,465,858</u>

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

	<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>2021</u>
Business-type activities:										
Charge for services - Water	3,709,076	3,733,491	3,828,806	3,809,820	3,803,643	3,936,307	3,945,311	3,849,791	3,849,499	4,290,039
Capital grants and contributions - Water	-	-	-	-	-	-	-	-	-	62,864
Total business-type activities program revenues	<u>3,709,076</u>	<u>3,733,491</u>	<u>3,828,806</u>	<u>3,809,820</u>	<u>3,803,643</u>	<u>3,936,307</u>	<u>3,945,311</u>	<u>3,849,791</u>	<u>3,849,499</u>	<u>4,352,903</u>
Total primary government program revenues	\$ <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>44,910,362</u>	\$ <u>57,818,761</u>
<u>Net (Expense)/Revenue</u>										
Governmental activities	\$ (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)	\$ (67,844,665)
Business-type activities	<u>1,204,295</u>	<u>1,304,515</u>	<u>1,269,377</u>	<u>1,299,186</u>	<u>1,313,767</u>	<u>1,269,291</u>	<u>606,597</u>	<u>(241,068)</u>	<u>(239,750)</u>	<u>151,018</u>
Total primary government net (expense)/revenue	\$ <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>(71,294,563)</u>	\$ <u>(67,693,647)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 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	\$ 57,394,807
Local option sales tax	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	22,920,189
Other taxes and licenses	1,003,991	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	2,817,033	3,455,991
Investment earnings	231,554	228,358	156,285	163,783	154,860	305,406	634,968	1,091,545	879,774	12,964
Miscellaneous	1,128,570	1,519,890	1,006,261	658,262	471,964	564,447	454,249	3,526,780	1,278,071	1,349,679
Transfers	105,000	102,620	83,240	105,000	105,000	130,000	313,222	130,000	130,000	130,000
Special item	-	-	1,516,317	850,000	-	-	-	-	-	-
Total governmental activities:	<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>	<u>85,263,630</u>
Business-type activities:										
Investment earnings	67,396	70,659	57,122	42,829	19,192	23,151	58,652	135,443	101,051	12,454
Miscellaneous	134,873	110,942	107,772	204,818	449,015	140,859	112,402	109,459	-	-
Transfers	<u>(105,000)</u>	<u>(102,620)</u>	<u>(83,240)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>(130,000)</u>	<u>(313,222)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>
Total business-type activities	<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>(28,949)</u>	<u>(117,546)</u>
Total primary government	\$ <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>80,023,742</u>	\$ <u>85,146,084</u>
<u>Change in Net Position</u>										
Governmental activities	\$ 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	\$ 17,418,966
Business-type activities	<u>1,301,564</u>	<u>1,383,496</u>	<u>1,351,031</u>	<u>1,441,833</u>	<u>1,676,974</u>	<u>1,303,301</u>	<u>464,429</u>	<u>(126,166)</u>	<u>(268,699)</u>	<u>33,472</u>
Total primary government	\$ <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>	\$ <u>17,452,438</u>

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

General Fund	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,500	\$ 34,582	\$ 40,680	\$ 73,681	\$ 21,711
Restricted:										
Stabilization by state statute	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	16,454,141
Public Safety	84,542	117,324	104,005	89,738	81,761	56,262	36,076	24,585	41,029	15,739
Register of Deeds	37,222	30,700	3,030	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	416,953	-	186,332	131,509	79,872	-	-	901,396	1,416,294	424,561
Unassigned	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	33,164,799
Total General Fund	\$ 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	\$ 50,080,951

All Other Governmental Funds

Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	326,340	194,002	161,598	183,592	1,102,191	350,482	246,658	350,349	163,893	2,490,112
General Government	-	-	-	-	-	-	527,388	913,772	2,107,453	941,549
Human Services	-	-	-	-	-	-	-	-	-	140,366
Public Safety	1,670,825	2,045,351	595,537	567,449	759,385	1,463,892	1,188,720	1,328,278	1,874,198	2,204,704
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	2,361,658
Public Schools	1,318,370	377,273	1,097,060	647,407	448,646	160,891	431,771	1,518,914	2,361,585	4,836,189
Committed:										
Capital projects	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	9,818,385
Unassigned	(196,990)	(19,890)	(268,169)	(145,052)	(47,561)	(136,611)	(149,490)	(240,400)	(378,722)	(2,680,122)
Total all other governmental funds	\$ 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	\$ 20,112,841

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

Revenues	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Taxes:										
Property	\$ 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	\$ 57,822,448
Sales	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	22,920,189
Tourism Room	1,003,991	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	1,605,717	1,597,678
Total taxes	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	82,340,315
Intergovernmental	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	38,412,503
Charges for Services	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	16,896,108
Interest	212,830	209,474	142,116	150,404	148,453	297,665	630,042	1,117,519	879,774	12,964
Miscellaneous	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	1,373,463
Total Revenues	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	139,035,353
Expenditures										
General Government	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	18,918,417
Public Safety	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	26,621,964
Environmental Protection	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	7,241,021
Economic Development	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	7,194,853
Health	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	10,616,068
Social Services	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	19,937,154
Culture and Recreation	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	3,173,640
Education	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	29,087,523
Debt Service:										
Principal	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	6,400,150
Interest	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	776,440
Bond issuance costs								36,100		
Total Expenditures	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	129,967,230
Excess of revenues over (under) expenditures	(799,984)	(65,720)	(324,328)	1,674,058	1,213,282	3,032,420	2,107,085	3,448,245	(3,868,291)	9,068,123
Other Financing Sources (Uses)										
Transfers in	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	7,484,375
Transfers out	(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)	(7,404,375)
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	-	-	-	-	-	-	-	-	10,000,000	-
Special item	-	-	1,516,317	850,000	-	-	-	-	-	-
Total other financing sources (uses)	162,404	162,503	1,599,557	955,000	105,000	130,000	313,222	128,344	10,100,777	80,000
Net change in fund balances	\$ (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	\$ 9,148,123
Debt service as a percentage of noncapital expenditures	9.87%	9.57%	9.28%	8.84%	8.28%	7.98%	8.02%	7.11%	6.03%	6.00%

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)					
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
2021	5,486,948,016	2,127,480,453	48,312,340	132,953,939	2,028,190,175	169,749,363	9,993,634,286	0.5494	11,301,180,918

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 2021 figure is based on property sales which took place in calendar 2020 and the sales to assessment ratio was 88.43%.)
- (5) Reassessment was performed on January 1, 2016 and was the basis for fiscal 2017 taxes. Next reassessment will occur on January 1, 2023, then in 2028.

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

	<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>	<u>2021</u>
Craven County Direct Rate	\$ 0.4728	\$ 0.4700	\$ 0.4675	\$ 0.4675	\$ 0.4675	\$ 0.5394	\$ 0.5394	\$ 0.5394	\$ 0.5494	\$ 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	0.2500	0.2678	0.2678	0.2700	0.2700	0.2700
Dover	0.3000	0.3000	0.3000	0.3000	0.3000	0.3500	0.3500	0.3500	0.3500	0.3500
Havelock	0.4650	0.4650	0.4650	0.4850	0.5100	0.5900	0.5900	0.5900	0.5900	0.5900
New Bern	0.4100	0.4100	0.4100	0.4100	0.4100	0.4600	0.4600	0.4600	0.4822	0.4822
River Bend	0.2650	0.2650	0.2650	0.2650	0.2650	0.3105	0.2900	0.2400	0.2600	0.2600
Trent Woods	0.1700	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	0.5300	0.5300	0.5300	0.5300	0.5300
<u>Fire Districts Rates:</u>										
West New Bern II (Rhems)	0.0414	0.0414	0.0389	0.0389	0.0389	0.0457	0.0457	0.0400	0.0400	0.0400
Township #1	0.0250	0.0250	0.0250	0.0250	0.0250	0.0269	0.0269	0.0269	0.0269	0.0269
Tri Community	0.0277	0.0277	0.0277	0.0377	0.0527	0.0658	0.0555	0.0555	0.0555	0.0555
Little Swift Creek	0.0549	0.0549	0.0549	0.0549	0.0549	0.0700	0.0700	0.0700	0.0650	0.0650
Township #3	0.0624	0.0624	0.0624	0.0624	0.0774	0.0861	0.0861	0.0861	0.0900	0.0900
Township #5	0.0453	0.0453	0.0453	0.0453	0.0553	0.0653	0.0653	0.0653	0.0653	0.0653
Township #6	0.0516	0.0516	0.0480	0.0480	0.0520	0.0586	0.0586	0.0500	0.0500	0.0500
Township #7	0.0177	0.0177	0.0177	0.0177	0.0190	0.0216	0.0272	0.0250	0.0250	0.0250
West New Bern	0.0324	0.0324	0.0324	0.0324	0.0349	0.0391	0.0457	0.0391	0.0391	0.0391
Township #9	0.0582	0.0582	0.0582	0.0682	0.0682	0.0746	0.0746	0.0746	0.0746	0.0746
Sandy Point	0.0352	0.0352	0.0352	0.0377	0.0527	0.0672	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 2021			Fiscal Year 2012		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Paper Company	Wood pulp manufacturer	\$ 183,186,609	1	1.83%			
BSH Home Appliances Corp	Home appliance manufacturer	153,944,293	2	1.54%	\$ 79,396,304	2	0.83%
Duke Energy Progress Inc.	Electric utility	70,525,905	3	0.71%	47,125,214	4	0.49%
Weyerhaeuser Company	Real estate investment trust	60,314,530	4	0.60%	63,266,110	3	0.66%
NC New Bern LLC	Real estate development	33,546,890	5	0.34%			
Atlantic Marine Corps Communities, LLC	Real estate development	28,811,014	6	0.29%	32,989,192	6	0.34%
Wal-Mart Real Estate Business Trust	Real estate development	26,542,720	7	0.27%			
New Bern Apartments LLC	Real estate development	24,551,456	8	0.25%			
Craven Wood Energy LTD	Electricity manufacturer	23,355,474	9	0.23%			
Trader Construction Company	General construction	20,649,581	10	0.21%			
Weyerhaeuser NR Company	Wood pulp manufacturer				169,978,113	1	1.77%
Carolina Telephone & Telegraph Co.	Communications utility				46,510,174	5	0.48%
Hatteras Yachts	Yacht builder				24,506,343	8	0.25%
Blakemore 300 Executive Parkway LLC & Kaplan 300 Executive Parkway LLC	Real estate development				23,320,773	9	0.24%
New Bern Riverfront Development LLC	Real estate development				27,534,205	7	0.29%
DDR Xenia & New Bern LLC	Real estate development				19,641,250	10	0.20%
Totals		\$ 625,428,472		6.26%	\$ 534,267,678		5.56%

Source: Craven County Tax Department

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

Fiscal Year	Taxes Levied for the			Collected within the		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Fiscal Year of the Levy			Amount	Percentage of Adjusted Levy
				Amount	Percentage of Levy			
2012	\$ 45,700,284	\$ (204,780)	\$ 45,495,504	\$ 44,547,702	97.92%	\$ 833,669	\$ 45,381,371	99.75%
2013	45,937,323	(101,107)	45,836,216	44,932,857	98.03%	774,771	45,707,628	99.72%
2014	46,405,671	423,380	46,829,051	46,266,555	98.80%	461,794	46,728,349	99.78%
2015	46,074,580	354,529	46,429,109	46,059,154	99.20%	320,266	46,379,420	99.89%
2016	46,661,088	287,113	46,948,201	46,591,996	99.24%	299,930	46,891,926	99.88%
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	243,950	49,473,321	99.85%
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	250,808	50,264,458	99.85%
2019	51,207,256	357,778	51,565,034	51,213,187	99.32%	235,870	51,449,057	99.78%
2020	52,499,119	271,764	52,770,883	52,162,736	98.85%	385,068	52,547,804	99.58%
2021	54,749,539	272,681	55,022,220	54,599,304	99.23%	-	54,599,304	99.23%

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			
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	685	1.68%
2017	13,808,847	33,427,050	-	-	16,819,909	64,055,806	620	1.48%
2018	11,109,056	29,025,750	-	-	15,930,845	56,065,651	543	1.29%
2019	8,614,265	24,654,450	-	-	15,041,781	48,310,496	469	1.08%
2020	5,947,000	31,128,149	-	-	14,152,717	51,227,866	497	1.08%
2021	3,610,000	27,065,000	-	-	13,263,651	43,938,651	428	*

*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			
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%	104
2019	8,614,265	1,210,957	7,403,308	0.16%	0.07%	72
2020	5,947,000	2,002,058	3,944,942	0.08%	0.04%	38
2021	3,610,000	3,610,000	-	*	0.00%	0

*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>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>2021</u>
Assessed Value of Property	\$ 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	\$ 9,993,634
Debt Limit, 8% of Assessed Value (Statutory Limitation)	769,023	779,044	800,455	792,332	801,898	736,417	745,677	763,246	767,739	799,491
Amount of Debt Applicable to Limit										
Gross debt	78,785	78,213	72,090	66,919	70,590	64,056	56,066	48,310	51,228	43,939
Less: Amount available for repayment of g.o.bonds	745	377	1,097	647	449	156	401	1,211	2,002	0
Debt outstanding for water and sewer purposes	1,136	2,866	3,761	5,606	16,280	16,820	15,931	15,042	14,153	13,264
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	76,904	74,970	67,232	60,665	53,862	47,080	39,734	32,058	35,073	30,675
Legal Debt Margin	<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>\$ 731,188</u>	<u>\$ 732,666</u>	<u>\$ 768,816</u>
Total net debt applicable to the limit as a % of debt limit	10.00%	9.62%	8.40%	7.66%	6.72%	6.39%	5.33%	4.20%	4.57%	3.84%

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)
2012	105,156	3,910,918	37,420	14,749	11.00%	9,498
2013	104,189	4,094,203	39,078	14,606	9.70%	8,530
2014	104,041	4,100,424	39,243	14,472	9.00%	7,811
2015	103,069	4,121,440	39,436	14,297	6.80%	7,538
2016	103,100	4,195,496	40,555	14,120	6.12%	8,918
2017	103,251	4,340,800	41,962	14,002	5.26%	9,688
2018	103,332	4,345,888	42,367	13,778	4.73%	8,942
2019	102,989	4,493,680	43,665	13,584	4.19%	15,602
2020	103,016	4,743,930	46,446	13,113	4.08%	14,063
2021	102,663	*	*	12,542	6.66%	13,436

* 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	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,324	1	13.86%	5,361	1	13.96%
CarolinaEast Health Systems	2,687	2	7.00%	2,035	2	5.30%
Craven County Schools	1,760	3	4.58%	1,912	3	4.98%
BSH Home Appliances	1,450	4	3.78%	750	5	1.95%
Moen Incorporated	830	5	2.16%	630	6	1.64%
State of North Carolina	809	6	2.11%	993	4	2.59%
Craven County	679	7	1.77%	597	7	1.55%
Wal-Mart	549	8	1.43%	467	10	1.22%
Craven Community College	525	9	1.37%			
City of New Bern	458	10	1.19%	476	9	1.24%
Hatteras Yachts (Brunswick Corp)				550	8	1.43%
	<u>15,071</u>		<u>39.24%</u>	<u>13,771</u>		<u>35.86%</u>

Source: Craven County Economic Development, NC Department of Commerce - NCWorks

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	<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>2021</u>
General government	72	77	80	78	77	78	78	79	84	96
Public safety	151	142	158	154	157	162	164	183	178	186
Social services	208	191	197	188	195	204	207	211	192	194
Economic and physical development	18	22	21	20	23	23	20	20	9	10
Environmental protection	30	29	30	31	29	28	30	32	28	34
Health	104	102	97	90	93	99	98	105	101	102
Transportation (1)									17	16
Cultural and recreation (2)	12	11	11	14	13	13	9	13	25	23
Water/Sewer (Business activity)	<u>12</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>17</u>
Total	<u><u>607</u></u>	<u><u>587</u></u>	<u><u>607</u></u>	<u><u>588</u></u>	<u><u>601</u></u>	<u><u>622</u></u>	<u><u>624</u></u>	<u><u>661</u></u>	<u><u>650</u></u>	<u><u>678</u></u>

Source: Craven County Human Resources

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	2012	2013	2014	2015	2016	2017	2018	2019	2020 (5)	2021 (6)
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	9,216	9,294	8,587	9,457	9,453	9,823	9,483	10,212	9,774	10,364
Average daily population in jail (B)	302	259	277	261	276	275	287	306	304	297
<u>Health Services (C)</u>										
Food and lodging inspections	1,364	1,354	1,322	1,312	1,299	1,374	1,190	1,471	788	1,027
Visits to health department	27,085	27,268	28,774	30,576	30,014	29,298	27,262	28,151	26,900	26,073
<u>Transportation Services (D)</u>										
Number of miles driven	857,716	794,110	772,009	708,841	673,929	599,621	594,277	588,401	527,137	446,095
Number of trips provided	108,026	105,965	91,554	86,927	74,346	69,359	64,167	63,144	55,027	42,239
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	2,728	3,449	3,953	3,970	4,136	4,567	4,484	4,815	4,859	5,930
Number of real estate parcels	56,505	56,774	56,898	57,097	57,354	57,438	57,571	57,952	58,385	58,734
Number of tax bills generated (3)	149,366	150,381	114,148	65,112	67,034	67,398	67,425	67,813	68,488	74,057
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2)(6)(G)	116	119	121	127	131	137	142	149	155	115
Economic impact of convention center (2)(4)(6)(G)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	2.0	1.0	0.8
Number of registered voters (H)	68,318	68,770	69,455	66,478	69,459	66,615	68,827	67,487	72,995	69,206
Number of enplanements at airport (I)	134,631	129,529	128,157	114,373	111,909	111,962	116,647	112,889	87,335	56,709
<u>Water Services</u>										
Number of service connections (J)	13,141	13,378	13,459	13,442	13,615	13,664	13,821	13,949	14,119	14,331

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 categories can be attributed to COVID-19 restrictions.
- (6) Fiscal 2021 decrease due to COVID-19.

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

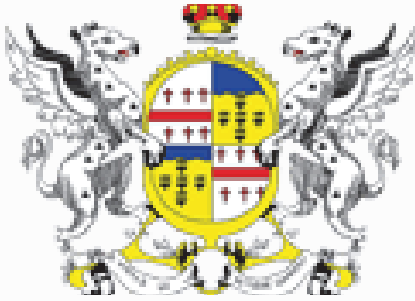
Function/Program	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Public Safety (A)</u>										
Correction facility rated capacities	292	292	292	292	292	292	292	292	292	292
<u>Parks and Land Use (B)</u>										
Number of county parks	4	4	4	4	4	4	4	4	4	4
Boat ramps operated (1)	2	2	2	2	0	0	0	0	0	0
<u>Water Service (C)</u>										
Miles of water main	633	633	633	634	634	634	650	650	655	657
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	18	18	18	18
Water Treatment Plant							1	1	1	1
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	32	32	32	32	32	32	32	32	29	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	213	213	183	161	161	161	142	142	135
<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



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

Independent Auditors' Report

To the Board of County Commissioners
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, 2021, and the related notes to the financial statements, which collectively comprise the Craven County basic financial statements, and have issued our report thereon dated November 23, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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.

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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
November 23, 2021



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**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, 2021. 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 federal and State statutes, regulations, and the terms and conditions of its federal awards 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*

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Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types

of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2021.

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 [2021-001, 2021-002, 2021-003, 2021-004] 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
November 23, 2021



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

Independent Auditors' Report

To the Board of County Commissioners
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, 2021. 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 State statutes, regulations, and the terms and conditions of its state awards 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

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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, 2021.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-001, 2021-002, 2021-003 and 2021-004] 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 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
November 23, 2021

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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>
10.923	Emergency Watershed Protection Program
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund
93.568	Low-Income Home Energy Assistance:
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 924,078

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:

Program Name
Medical Assistance Program
Industrial Development Public Utility Account
Hurricane Florence Watershed Restoration Grant
Public School Building Capital Fund - Lottery Proceeds

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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: 2021-001

Inaccurate Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were 3 errors discovered during our procedures that inaccurate information was entered when determining eligibility.

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

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-001.

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.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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: 2021-002

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 3 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Cost:	There was no affect to eligibility and there were no questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-002.
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.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

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: 2021-003

IV-D Non-Cooperation

SIGNIFICANT DEFICENCY

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 2 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 and applicants could have been approved for benefits for which they were not eligible.
Identification of a Repeat Finding:	This is a repeat finding from the immediate previous audit, 2020-003.
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.

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: 2021-004

Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
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Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

Condition:	There were 2 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
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 and applicants could have been approved for benefits for which they were not eligible.
Cause:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

Section IV - State Award Findings and Questioned Costs

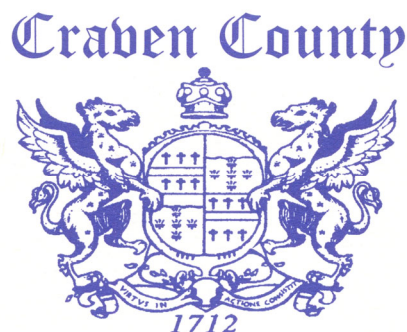
Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2021-001, 2021-002, 2021-003 and 2021-004 also apply to State requirements and State Awards.

Board of Commissioners
Jason R. Jones, Chairman
Dennis Bucher, Vice Chairman
Thomas F. Mark
George S. Liner
Theron L. McCabe
Ettienne "E.T." Mitchell
Beatrice R. Smith

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



Administration Building
406 Craven Street
New Bern, NC 28560

Fax 252-637-0526
jveit@cravencountync.gov

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, 2021

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001

Name of contact person: April Rollins, Income Maintenance Administrator II

Corrective Action: Refresher training will be held in November 2021 for Medicaid staff on the topic of requesting and reconciling information to determine or redetermining eligibility and entering said information verifications accurately in NC Fast. Second party reviews in excess of the state's mandated 98 will be conducted quarterly.

Proposed completion date: 11/15/2021

Finding 2021-002

Name of contact person: April Rollins, Income Maintenance Administrator II

Corrective Action: Refresher training will be held in November 2021 for Medicaid staff on the topic of requesting and reconciling information to determine or redetermining eligibility and entering said information verifications accurately in NC Fast. Second party reviews in excess of the state's mandated 98 will be conducted quarterly.

Proposed completion date: 11/15/2021

Finding 2021-003

Name of contact person: April Rollins, Income Maintenance Administrator II

Corrective Action: Refresher training will be held in November 2021 for Medicaid staff on the topic of obtaining verification, reading verifications, and entering complete and accurate documentation when determining or redetermining eligibility and entering said information verifications accurately in NC Fast. Second party reviews in excess of the state's mandated 98 will be conducted quarterly.

Proposed completion date: 11/15/2021

Board of Commissioners

Jason R. Jones, Chairman
 Dennis Bucher, Vice Chairman
 Thomas F. Mark
 George S. Liner
 Theron L. McCabe
 Etienne "E.T." Mitchell
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 Craig Warren, Finance Director

Craven County

**Administration Building**

406 Craven Street
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Fax 252-637-0526
 jveit@cravencountync.gov

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, 2021

Section III - Federal Award Findings and Questioned Costs (continue)

Finding 2021-004

Name of contact person: April Rollins, Income Maintenance Administrator II

Corrective Action: Refresher training will be held in November 2021 for Medicaid staff on the topic of obtaining verification, reading verifications, and entering complete and accurate documentation when determining or redetermining eligibility and entering said information verifications accurately in NC Fast. Second party reviews in excess of the state's mandated 98 will be conducted quarterly.

Proposed completion date: 11/15/2021

Section IV - State Award Findings and Questioned Costs

Corrective Action for Finding 2021-001, 2021-002, 2021-003 and 2021-004 also apply to the State award findings.

Craven County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Finding: 2020-001
Status: Repeated as 2021-001

Finding: 2020-002
Status: Repeated as 2021-002

Finding: 2020-003
Status: Repeated as 2021-003

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# 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		\$ 1,162,667	\$ -	\$ -	\$ 1,162,667
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		531,127	-	-	-
Emergency Watershed Protection Program	10.923		1,933,481	-	-	-
Total U.S. Department of Agriculture			3,627,275	-	-	1,162,667
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce CDBG - Neighborhood Revitalization Program	14.228		124,619	-	-	-
Total U.S. Department of Housing and Urban Development			124,619	-	-	-
<u>U.S. Dept. of Justice</u>						
Passed-through N.C. Department of Public Safety Byrne Justice Assistance Grants	16.738		17,154	-	-	-
Total U.S. Dept. of Justice			17,154	-	-	-
<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		3,084,887	-	-	-
Airport Improvement Program - Airport Security	20.106		96,080	-	-	-
Airport Project NO. 40	20.106		90,624	-	-	10,069
Airport Project NO. 42	20.106		172,133	-	-	19,126
Airport Project NO. 43	20.106		363,833	-	-	40,426
Airport Improvement Project	20.106		4,168,046	-	-	-
Total Airport Improvement Program			7,975,603	-	-	69,621
Administered by Craven Area Rural Transportation System						
Federal Transit Formula Grants						
Federal Transit Formula Grants	20.507		110,252	-	-	-
COVID 19 Federal Transit Formula Grants	20.507		272,143	-	-	-
Total Federal Transit Formula Grants			382,395	-	-	-
Passed-through the N.C. Department of Transportation: Administered by Craven Area Rural Transportation System: Highway Planning and Construction	20.205		505,451	126,363	-	-
Formula Grants for Rural Areas and Tribal Transit Program						
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	DOT-11 36233.31.22.1	16,919	1,058	-	-
COVID 19 Formula Grants for Rural Areas and Tribal Transit Program - Operating	20.509	49233.69.1.2	565,130	-	-	-
Total Formula Grants for Rural Areas and Tribal Transit Program			582,049	1,058	-	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs						
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	DOT-14 44637.5.3.1	186,170	23,271	23,271	17,412
Total U.S. Dept. of Transportation			9,631,668	150,692	23,271	87,033

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title U.S. Dept. of Treasury	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office						
Coronavirus Relief Fund	21.019		3,664,450	-	1,136,382	-
Total U.S. Dept. of Treasury			3,664,450	-	1,136,382	-
<u>U.S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections						
HAVA Election Security Grants	90.404		93,050	-	-	-
COVID-19 - HAVA Election Security Grants	90.404		149,615	-	-	-
Total U.S. Election Assistance Commission			242,665	-	-	-
<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		648,940	216,313	-	-
FEMA Grant	97.036		62,864	-	-	-
Hazard Mitigation Grant Program	97.039	4393-008-R	430,771	-	-	-
Flood Mitigation Assistance Grant - Elevation	97.029	FMA-PJ-04-NC- 2016-014	1,250	-	-	-
Emergency Management Performance	97.042	EMPG-2016- 37049	65,003	-	-	-
Homeland Security Grant Program	97.067	EMW-2020-SS- 00023	5,000	-	-	-
Administered by Craven County Regional Airport Authority						
Disaster Grant - Public Assistance	97.036		11,563	3,854	-	-
Total U. S. Department of Homeland Security			1,225,391	220,167	-	-
<u>U.S. Dept. of Health & Human Services</u>						
Direct Program						
COVID-19 Provider Relief Fund	93.498		277,172	-	-	-
Health Center Program	93.527		1,382,500	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
COVID-19 Health Center Program						
COVID-19 Expanding Capacity for Coronavirus Testing (ECT) Funding	93.224		176,629	-	-	-
COVID-19 Health Center CARES Act Funding	93.224		635,615	-	-	-
Total Health Center Program			812,244	-	-	-
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		115,810	6,812	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		134,025	7,015	-	-
COVID-19 Home Delivered Meals	93.045		26,426	-	-	-
Nutrition Services Incentive Program	93.053		35,885	-	-	-
Total Aging Cluster			312,146	13,827	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		1,532,477	-	-	635,980
Division of Public Health						
TANF - Work First	93.558		16,489	-	-	-
Total TANF Cluster			1,548,966	-	-	635,980

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Foster Care and Adoption Cluster (Note 4)						
Foster Care - Title IV-E	93.658		1,050,988	217,473	-	603,960
Foster Care	N/A		82,423	-	-	28,300
Adoption Assistance	93.659		15,695	-	-	15,695
Total Foster Care and Adoption Cluster (Note 4)			1,149,106	217,473	-	647,955
AFDC Payments & Penalties	93.560		(13)	(4)	-	(4)
Child Support Enforcement	93.563		742,370	636	-	381,797
Refugee Assistance Admin	93.566		890	-	-	-
Family Preservation	93.556		32,809	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		82,078	-	-	-
Energy Assistance Payments	93.568		306,268	-	-	-
Crisis Intervention Program	93.568		204,549	-	-	-
COVID-19 LIEAP	93.568		172,992	-	-	-
COVID-19 LIEAP Admin	93.568		25,598	-	-	-
Total Low-Income Home Energy Assistance			791,485	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		30,156	-	-	10,052
Chafee Foster Care Independence Program	93.674		25,897	5,546	-	-
SSBG - Other Service and Training	93.667		424,148	-	-	141,382
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - Adult Protective Service	93.667		27,604	-	-	10,012
SSBG - State In Home Service Fund	93.667		70,336	-	-	10,048
SSBG - CPS TANF TO SSBG	93.667		17,850	-	-	-
Total Social Service Block Grant			539,938	-	-	161,442
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		146,671	-	-	-
Total Subsidized Child Care			146,671	-	-	-
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		3,423,779	7,292	-	1,257,055
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		104,570	110	-	20,790
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		39,524	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-	-
Family Planning Services	93.217		76,833	-	-	-
Immunization Cooperation Agreements	93.268		37,858	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		266,687	-	-	-
Total Immunization Cooperation Agreements			304,545	-	-	-

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		43,119	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		274,727	-	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			317,846	-	-	-
Refugee and Entrant Assistance State / Replacement Designee Administers Programs	93.566		2,166	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		13,000	-	-	-
HIV Prevention Activities_Health Department Based	93.940		89,359	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		74,659	27,007	-	-
Total U.S. Dept. of Health and Human Services			11,992,203	271,887	-	3,115,067
Total Federal Awards			\$ 30,802,597	\$ 642,746	\$ 1,159,653	\$ 4,364,767
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			\$ -	\$ 2,084	\$ -	\$ -
Total N.C. Dept. of Administration			-	2,084	-	-
<u>N.C. Department of Commerce</u>						
Division of Rural Economic Development						
Industrial Development Public Utility Account			-	332,511	-	-
Total N.C. Department of Commerce			-	332,511	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Grant			-	102,272	-	-
Total Golden LEAF Foundation			-	102,272	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,600	-	-
Electronic Management Program			-	3,902	-	-
Scrap Tire Fund			-	2,487	-	-
Total N.C. Dept. Environmental Quality			-	9,989	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Division of Soil and Water Conservation						
Stream Debris Removal Project			-	120,749	-	-
Hurricane Florence Watershed Restoration Grant			-	344,735	-	-
Total N.C. Department of Agriculture and Consumer Services			-	465,484	-	-
<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			-	16,999	-	-
State Appropriation - In-Home Services			-	218,494	-	-
State Appropriation - Home Delivered Meals			-	132,907	-	-
Total Division of Aging and Adult Services			-	368,400	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	88,846	-	-
APS/CPS Care COVID 19			-	70,180	-	-
County Funded Programs			-	-	-	2,699,865
DCD Smart Start			-	40,242	-	-
Energy Assistance			-	7,734	-	-
AFDC Incent/Prog Integrit			-	1,128	-	-
Non-Allocating Reimbursable			-	-	-	8,070
Work First Non Reimbursable			-	-	-	432,731
CSE Disaster Non-Reimbursable			-	-	-	15,746
Extended FC/MAX Non IV-E			-	16,791	-	-

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Extended FC>20 Stipend			-	4,200	-	-
SFHF Maximization			-	103,612	-	103,611
State Foster Home			-	118,470	-	118,469
F/C at Rist Maximization			-	8,581	-	3,132
FC Stipend			-	53,300	-	-
LINKS/CHAFEE/NR-LINKS			-	-	-	854
Total Division of Social Service			-	513,084	-	3,382,478
Division of Public Health						
Food and Lodging Fees			-	18,034	-	-
Mosquito and Tick Suppression			-	2,571	-	-
Aid-to -Counties			-	131,720	-	-
General Communicable Disease Control			-	6,343	-	-
Child Health			-	1,102	-	-
HIV/STD STATE			-	12,500	-	-
Healthy Community Activities			-	3,747	-	-
STD Drugs			-	328	-	-
Breast and Cervical Cancer Control			-	16,575	-	-
Family Planning - State			-	63,385	-	-
Maternal Health			-	60,951	-	-
High Risk Maternity Clinics			-	71,428	-	-
Women's Health Service Fund			-	14,102	-	-
TB Control			-	33,610	-	-
Total Division of Public Health			-	436,396	-	-
Total N. C. Department of Health and Human Services			-	1,317,880	-	3,382,478
N.C. Dept. of Public Safety						
Juvenile Crime Prevention Programs						
Community for Children			-	2,835	2,835	-
Structured Day Reporting			-	73,144	73,144	-
Teen Court			-	160,000	160,000	-
Raise the Age			-	39,963	39,963	-
Total Juvenile Crime Prevention Programs			-	275,942	275,942	-
Total N. C. Department of Public Safety			-	275,942	275,942	-
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program	36220.10.9.1		-	55,084	-	-
ROAP Work First Transitional - Employment	36236.11.8.1		-	2,065	-	-
Total ROAP Cluster			-	57,149	-	-
State Maintenance Assistance for Urban and Small Urban Program	DOT-9 36234.88.1.2		-	49,244	-	-
Rural State Operating Program	DOT-11 36223.144.1.2		-	3,228	-	-
Total N.C. Dept. of Transportation			-	109,621	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds			-	1,219,700	-	-
Total N.C. Department of Public Instruction			-	1,219,700	-	-
Total State Awards			\$ -	\$ 3,835,483	\$ 275,942	\$ 3,382,478
Total Federal and State Awards			\$ 30,802,597	\$ 4,478,229	\$ 1,435,595	\$ 7,747,245

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
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, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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 Children	10.557	\$ 1,715,112	\$ -
Supplemental Nutrition Assistance Program	10.551	33,495,467	-
Medical Assistance Program	93.778	105,863,463	40,783,231
Children's Health Insurance Program	93.767	1,827,485	352,897
IV-E Adopt & Vendor	93.659	460,950	82,839
TANF Payments & Penalties	93.558	272,732	-
Refugee Assistance Payment	93.566	2,346	-
CWS Adopt, Vendor, Guard	N/A	-	216,025
SAA/SAD HB 1030	N/A	-	242,484
SC/SA Domiciliary Care	N/A	-	370,738