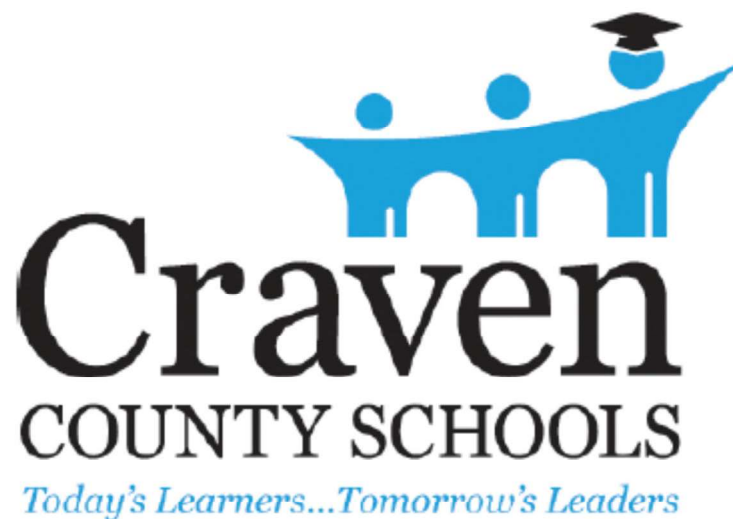


Craven County Board of Education
(New Bern, North Carolina)

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

**For the Fiscal Year Ended
JUNE 30, 2020**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Craven County Board of Education
New Bern, North Carolina

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PREPARED BY
Finance Department
Denise Altman, Finance Officer

CRAVEN COUNTY BOARD OF EDUCATION

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i - viii
Board Members and Principal Officials	ix
Organizational Chart	x
Certificate of Excellence in Financial Reporting – Association of School Business Officials	xi
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association.....	xii

FINANCIAL SECTION

Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 11
Basic Financial Statements	
Government-wide Financial Statements	
1 Statement of Net Position (Deficit)	12
2 Statement of Activities.....	13
Fund Financial Statements	
3 Balance Sheet – Governmental Funds	14
3 Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit)	14
4 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
5 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
6 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds.....	17
7 Statement of Net Position (Deficit) – Proprietary Fund	21
8 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	22
9 Statement of Cash Flows – Proprietary Fund	23
10 Statement of Fiduciary Net Position.....	24
11 Statement of Changes in Fiduciary Net Position.....	25
Notes to Financial Statements	26 - 49

CRAVEN COUNTY BOARD OF EDUCATION

TABLE OF CONTENTS (continued)

FINANCIAL SECTION (continued)

Required Supplementary Information

Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	50
Schedule of Board Contributions – Teachers' and State Employees' Retirement System	51
Schedule of the Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund.....	52
Schedule of Board Contributions – Retiree Health Benefit Fund	53
Schedule of the Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina	54
Schedule of Board Contributions – Disability Income Plan of North Carolina	55

Individual Fund Statements and Schedules

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Outlay Fund	56
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – School Food Service Fund.....	57

STATISTICAL SECTION (UNAUDITED)

Financial Trends

Government-wide – Net Position (Deficit) by Component.....	58
Government-wide – Net Position by Component for Craven County, NC.....	59
Government-wide – Expenses, Program Revenues, and Net (Expense) Revenue.....	60
Government-wide – General Revenues and Total Change in Net Position (Deficit).....	61
Government-wide – Expenses, Program Revenues, and Net (Expense) Revenue for Craven County, NC	62
Government-wide – General Revenues and Total Change in Net Position (Deficit) for Craven County, NC	63
Governmental Funds – Fund Balances.....	64
Governmental Funds – Fund Balances for Craven County, NC	65
Governmental Funds – Changes in Fund Balances	66
Governmental Funds – Changes in Fund Balances for Craven County, NC	67

CRAVEN COUNTY BOARD OF EDUCATION

TABLE OF CONTENTS (continued)

STATISTICAL SECTION (UNAUDITED) (continued)

Governmental Funds – Revenues by Source	68
Governmental Funds – Expenditures by Function per Pupil and In Total	69
Outstanding Debt.....	70
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property for Craven County, NC	71
Direct and Overlapping Property Tax Rates for Craven County, NC	72
Principal Property Tax Payers for Craven County, NC	73
Property Tax Levies and Collections for Craven County, NC	74
Debt Capacity	
Ratio of Outstanding Debt by Type for Craven County, NC.....	75
Ratio of Net General Bonded Debt Outstanding for Craven County, NC.....	76
NC Legal Debt Margin Information for Craven County, NC	77
Demographics and Economic Information	
Pupils in Membership by Ethnic Origin and Sex	78
Dropouts by Grades and Reasons	79
Personnel Summary.....	80
Teacher Salaries	81
Demographic and Economic Statistics for Craven County, NC	82
Principal Employers for Craven County, NC	83
Full-time Equivalent County Government Employees by Function for Craven County, NC... ..	84
Operating Information	
Operating Statistics	85
Operating Indicators by Function for Craven County, NC.....	86
Capital Assets Information	87
Capital Asset Statistics by Function for Craven County, NC.....	88

CRAVEN COUNTY BOARD OF EDUCATION

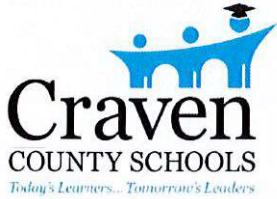
TABLE OF CONTENTS (continued)

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89 - 90
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act.....	91 - 92
Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act.....	93 - 94
Schedule of Findings and Questioned Costs	95 - 96
Summary Schedule of Prior Year's Audit Findings	97
Schedule of Expenditures of Federal and State Awards	98 - 100



Introductory Section



Board of Education

DAVID E. HALE, *Chairman* • FRANCES H. BOOMER, *Vice Chairman*

NAOMI E. CLARK • CARROLL G. IPOCK, II • STEFANIE KING • BEATRICE R. SMITH • KIMBERLY R. SMITH

MEGHAN S. DOYLE, EDD, *Superintendent*

Letter of Transmittal

January 11, 2021

Members of the Craven County Board of Education and Citizens of Craven County, North Carolina,

The Comprehensive Annual Financial Report of the Craven County Board of Education for the fiscal year ended June 30, 2019, is hereby submitted in compliance with the Public School Laws of North Carolina. The Superintendent and the Finance Officer are responsible for the accuracy, completeness, and clarity of this report which has been prepared in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and is presented in a manner that reflects fairly the financial position and results of the operations of the Board and may help the reader better understand operations and financial position of the local educational agency. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activity have been included.

District Profile

The Craven County Board of Education is a Local Education Agency empowered by State law (Chapter 115C of the North Carolina General Statutes) and is the lowest level of government having financial accountability and control over all activities related to public school education in Craven County, North Carolina. The Craven County Board of Education, whose members are elected by the citizens of Craven County, has the authority to designate management, make binding decisions, and significantly influence operations. The Board has final approval over the budget and primary accountability for fiscal matters (including any deficits.) Accordingly, the Craven County Board of Education is not included in any other reporting entity as defined in GASB pronouncements.

The system for FY 2018-2019 had 15 elementary schools, 5 middle schools, and 5 high schools and ranked as the 26th largest school system in North Carolina with a final ADM of 13,329 students. The system employed a total of 1,711 personnel, with licensed personnel comprising 60.32% of that total. One of our high schools is partnered with the High School Innovation Project (HSIP) as a Learn and Earn early college high school. This program has been highly successful and continues to spark a lot of interest in the community. This type of collaboration enhances the overall educational setting in Craven County. Craven County Schools is also proud to have Early College East in the Havelock area to focus on Science, Technology, Engineering, and Mathematics. The system partners with Craven Community College and NAV Air aboard Cherry Point Marine Air Station to allow for this awesome educational experience, merging real-time project-based learning and technology. This is a five-year program which will enable students to graduate with a high school diploma and up to two years of college credit toward a bachelors or associates degree. The instructional services for the students include general education, special education, JROTC, and CTE programs.

Craven County continues to operate the PASS program at New Bern High School, Havelock High School and West Craven High School. These three locations are spread out to allow our system to effectively reach more students to offer them alternative avenues for education. Also, Craven County Schools continues to operate Aspire school which is located on the Grover C. Fields Middle School site location. This school is designed to target those students with extreme behavior type issues that may be a barrier to learning in the regular classroom environment. The school is staffed with specially trained educators to assist these students with strategies that will enhance their learning potential, as well as a coordinator for the school.

Each school has a principal that is responsible for the total school operations. Appropriate instructional and support personnel, based on student enrollment, staff the schools. Instructional specialists and central administrative staff work with the school principal and other faculty in developing, implementing, and enhancing effective instructional programs to serve the students of Craven County. Craven County's facilities range in age from the mid 1950's to the most recent new construction in 2006. Craven County has maintained the older buildings over the years by replacing roofs, installing updated HVAC systems, HVAC control systems for efficiency, window and door replacements and restroom renovations. We have completed a long-range facilities plan that will help guide us as we address the needs of the system as budget allows.

Accounting System and Budgetary Control

The Board provides a variety of services in order to meet its educational responsibilities and goals. The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functions that operate independently. Each entity is a separate 'fund' with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

In developing and improving the Board's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Board's internal control structure adequately protects assets and provides reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes require an annual balanced budget to be adopted for all funds, except for the individual school funds, before July 1 of each year and can be amended through June 30. The Board's annual budget Resolution authorizes expenditures by fund, function, and project on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the

accompanying financial statements represent the final budget as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item. All appropriations lapse at the fiscal year-end and outstanding encumbrances at the end of the fiscal year related to normal operations are considered continuing contracts and are re-appropriated by budget amendment in the new fiscal year.

Management's Discussion and Analysis

GAAP 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 discussion is included in this report. This letter of transmittal is designed to complement the MD&A and should be read in connection with it.

Health Insurance Update

The Board participates in the State Health Plan for teachers and state employees. The Plan provides health care coverage for eligible teachers, state employees, retirees and others identified under the COBRA law. It is a self-insured plan and exempt from the Employee Retirement Income Security Act as a government –sponsored plan. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits through one of two preferred provider organization (PPO) plans. PPO plans extend the freedom of choice among in-network providers and lower out-of-pocket costs. For active employees, the State Health Plan will continue to offer 2 plans which include the enhanced 80/20 plan, and the traditional 70/30 plan. These plans allow individuals the flexibility to receive benefits for visits to any provider, whether they are in or out of network. Active employees must pay a \$25 monthly premium for the Traditional 70/30 plan, previously termed the Basic Plan. This plan has higher copays and deductibles in exchange for reduced premiums. The second Enhanced 80/20 plan includes enhanced benefits with a strong emphasis on preventive health and comes with a monthly premium cost of \$50 for the employee. The extended monthly premium is a tradeoff for lower copays, coinsurance, and deductibles. All tobacco users have the option to attend a CVS Minute Clinic to aid in the cessation of tobacco usage to avoid the additional \$60 charge.

Independent Audit

The General Statutes of North Carolina require an annual independent audit of all local boards of education. Dixon Hughes Goodman, LLP, a firm of independent certified public accountants, has examined the financial statements, and their opinion is included in this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the North Carolina Single Audit Implementation Act. This audit was performed using 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 auditor's report on the management's discussion and analysis, the basic financial statements, and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

Economic Profile

Craven County finds its place nestled in the heart of North Carolina's coastal shores with its picturesque location on the banks of two major rivers, about 40 miles from the ocean. The county is filled with an abundance of natural resources. The Craven County region encompasses New Bern, Havelock, and Vanceboro where they collectively create an environment where the citizens are actively engaged with where they live, work, play and learn. This unique widespread county is a special place with a multitude of opportunities. The region's atmosphere allows businesses to thrive and residents to live comfortably. Craven County has a strong manufacturing history which has allowed our economy to grow and diversify. This county has a mild climate and tranquil countryside along with well-maintained greens that are spread over acreage of approximately 712 square miles. Craven County's population in 2020 came in at 103,228. The county tax rate remained stable at \$0.5494 per \$100 of assessed value. It is home to the Croatan National Forest and Marine Corps Air Station Cherry Point.

The county seat, New Bern, was settled in 1710 and was the first capital of North Carolina. It was in 1712 that Craven County was founded and named for William, Earl of Craven who lived from 1608 to 1697. He was one of the eight original Lords Proprietor of the Colony of Carolina which King Charles II of England granted in 1663. Tuscarora Tribe's Native Americans originally inhabited the region, and was later settled by German, Swiss and English colonists. At the confluence of the Neuse and Trent Rivers, sits New Bern which is the county seat of Craven County. New Bern's rich history and beautiful location have made this city appreciated across the state. Significant towns within Craven County include Havelock, Fort Barnwell, Tuscarora, Bridgeton, Vanceboro, Trent Woods, Jasper and Dover. The county has a total of seven districts while each one is distinct with its own rich heritage. This county was once known primarily for farming and agriculture; however, tourism has emerged over time and continues to be a key component in this historic southern city.

Of the 161,000 acres of land that comprise the Croatan National Forest, 63,068 of them are located within Craven County. It offers pocosins, Longleaf and Loblolly pine, bottomland and upland hardwood ecosystems, well-developed hiking trails, campgrounds, a long sandy swimming beach, and paddle trails for canoeists. The fishing is plentiful with a wide variety of fish from catfish to largemouth bass, bluegills to flounder, perch or croakers. Some very unusual plants such as Venus' flytraps, sundews and pitcher plants are scattered throughout the Forest. A percentage of money received from production of goods and services on national forest lands is distributed to school systems. For FY 2020, our system received \$57,238.

The latest study reveals North Carolina as home to the 4th largest military population in the US. This includes approximately 52,000 school age children that are connected to active duty military, Guard and Reserve. North Carolina has adopted the Interstate Compact on Educational Opportunity for Military Children. This compact addresses many areas of need for the military student who deals with many transitions during their lifetime. On average, the military child moves 6-9 times between kindergarten and twelfth grade. At least one military child is represented at every school in our county. Marine Corps Air Station Cherry Point was authorized by Congress on July 9, 1941 with an initial appropriation of \$14,990,000 for construction. Originally, this was an 8,000-acre tract of swamps, farms, and timberland. One of the best all weather jet bases in the world is claimed by Cherry Point. Cherry Point has grown to occupy more than 29,000 acres which includes the air station as well as its associated support locations. This air station continues to pursue quality of life initiatives and community outreach efforts. It is their

guiding principle to foster these positive relationships with the local communities to further mutual interests and commitments. Cherry Point continues to increase in number for military and civilian, which in turn increases the number of new students served by Craven County Schools. The Armed Forces see STEM education as a golden opportunity for future employment as there is a rapidly growing need for employers in fields that utilize science, technology, engineering and mathematics. Craven County School District received \$1.4 million from the Department of Education for Impact Aid directly related to Cherry Point in fiscal year 2020. International Paper Company, formerly Weyerhaeuser Company, continues to be the largest taxpayer in Craven County. Its 2020 assessed valuation was \$175.4 million. It is 1.83% of the total assessed valuation. BSH Home Appliances Corp. is second with an assessed valuation of \$154.9 million and rose to 1.61% of the total assessed valuation. BSH employs 1,200 personnel. The Department of Defense remains the largest employer in terms of numbers of employees with a count of 5,498 civilian employees; Carolina East Health Systems is second with 2,303 employees and third is Craven County Schools with 1,646. The annual average unemployment rate for Craven County is 4.08%, which dropped from the 4.19% for the previous year.

Carolina GSE purchased the Craven 100 Alliance shell building. The total investment is \$2 million and will create 10 jobs. EAE purchased 56 acres in the park in 2019. They plan to invest nearly \$1 million and will create 25 jobs. Craven County was also awarded a NC Department of Commerce grant of \$370,000 as well as a Duke Energy grant of \$25,000. This investment along with supporting funds from the county will add approximately \$500,000 of infrastructure to the park.

Financial Planning

The Craven County Board of Education is a financially dependent organization. By state statute the Board has no taxing authority or other means of generating revenues. The Board is dependent upon the State of North Carolina, the Federal Government, and the Craven County Commissioners. North Carolina began lottery ticket sales in March of 2006. The most recent estimated lottery distribution was projected to be \$977,382 in FY 2019 for Craven County Schools. There is not an estimated amount currently published on DPI's website for FY 2020. With the absence of a State budget for FY 2020, licensed teachers with a Bachelor degree will earn a starting annual salary of \$35,000 and will cap at the top of the scale at \$52,000. The schedule for principal salaries is a range from \$68,125 to \$102,187. Principal bonuses will be designated for the top 50% in the State. The measuring component will be the growth of the school supervised. The bonus may be doubled if the principal is at a school with a D or F letter grade of performance. Noncertified and central office staff were not granted any type of salary increase or bonus leave. It is important to note that there was yet again a decrease in the final average daily membership this past year from 13,329 to 13,104.

As most of the Federal and State funding are based on the student population, this drop has a negative impact on our funding dollars. Due to the continued limited growth in our economy, the State and local funding entities have endured funding shortages which have impacted the Board of Education as well since they are a funding dependent government entity. Through all of this, Craven County Schools maintains their vision for academic success for all students and strives to monitor the budgeting needs of the future. Craven County School System also receives Federal Impact Aid funding which may be used at the district's discretion and in accordance with their local and state requirements. Most school districts utilize this funding for current expenditures such as teacher salaries, supplies, equipment, computers, tutoring, and enrichment programs. Craven County Schools are eligible for this funding since

Craven County includes within their boundary parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls. This leaves the county operating with less local revenue while still providing a quality education for these students living on the Indian and other Federal lands. The Impact Aid program was implemented by Congress to provide this financial assistance to the local school districts that are affected with this decreased local revenue. It was officially signed into law in 1950 by President Harry S. Truman. This assistance funding requires parent-pupil surveys to be filled out around the September time frame for each student enrolled in Craven County Schools.

On an annual basis, Craven County Schools' leadership team meets for an Organizational Review with its Board Members. This review covers curriculum changes and planning, updates on School-Family-Community Connections, long range planning for facilities, and sharing of data on our educators and potential future leaders for our system. A long-range facilities plan for capital improvements has been completed to help our school district leaders and county leaders determine the order of priorities over a five-year time span.

CRAVEN COUNTY SCHOOLS

VISION

We envision a public education system that challenges all students as learners and prepares them to imagine and create a successful life; values educators and empowers them to inspire and spark innovation in every student; leads in education and community engagement; and invites all students, their families, and all members of the community to work together to support public education to the benefit of our students, our community, our nation and our world.

MISSION

Together with OUR families and community, Craven County Schools will educate all learners to personal, professional, and civic success through challenging and personalized instruction.

STRATEGIC PLAN GOALS

- ☐ The Learner
- ☐ The Educator
- ☐ Teaching and Learning
- ☐ Community Engagement and Leadership
- ☐ Operations and Resources

CORE VALUES

- ☐ Visionary Leadership
- ☐ Student-Centered Excellence
- ☐ Organizational Learning and Agility
- ☐ Valuing People
- ☐ Focus on Success
- ☐ Managing for Innovation
- ☐ Management by Fact
- ☐ Societal Responsibility
- ☐ Delivering Value and Results
- ☐ Ethics and Transparency

Financial Reporting Awards

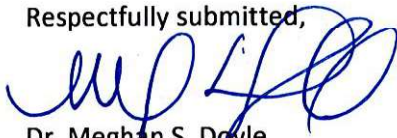
Since 1990, our Comprehensive Annual Financial Report has earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) and since 1995 the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). These awards are made only to governmental units that publish comprehensive annual financial reports that are easily readable, efficiently organized, and conform to program standards as well as satisfy generally accepted accounting principles and applicable legal requirements. We believe that our accompanying report conforms to ASBO and GFOA requirements and we will again submit this report for award consideration. Also, the North Carolina State Board of Education Recognition of Achievement in Financial Resource Management Certificate has been received from FY 1996 through FY 2016 with the exception of FY 2009. Craven County Board of Education will continue to make every effort to receive all future awards.

Acknowledgements

The preparation of this report could not have been accomplished without our independent audit firm, Dixon Hughes Goodman, LLP and the efficient and dedicated services of the personnel in the business office. This report would not be possible without their dedicated efforts and commitment to this school system. We would like to express our appreciation for their assistance and contributions in developing the final report.

As required by North Carolina General Statute 115C-44, copies of this report will be filed with the Secretary of the Local Government Commission, the Controller of the State Board of Education, and the Board of County Commissioners. Also, a copy will be made available for public inspection in the office of the Superintendent.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'MSD', with a large, stylized flourish at the end.

Dr. Meghan S. Doyle

Superintendent

A handwritten signature in blue ink, appearing to read 'Denise P. Altman', with a long, horizontal flourish extending to the right.

Denise P. Altman

Finance Officer

Craven County Board of Education

List of Principal Officers

BOARD OF EDUCATION

David. E. Hale
Chairman

Frances H. Boomer
Vice Chairperson

Beatrice R. Smith

Kimberly R. Smith

Stefanie A. King

Carroll G. Ipock, II

Naomi E. Clark

SUPERINTENDENT

Dr. Meghan S. Doyle

ASSISTANT SUPERINTENDENTS/CHIEF OFFICERS

Mr. Stacy Lee
Dr. Wendy A. Miller
Dr. Tosha Diggs
Mrs. Michelle Lee

Craven County Board of Education

Superintendent
Dr. Meghan Doyle

Operations and
Resources
Stacy Lee

Finance Services

Information
Systems &
Accountability

School Nutrition
Services

Safety and Security
Services

Transportation
Services

Technology
Services

Operations
Support

Human Resources
Division
Dr. Wendy Miller

**Certified Personnel
Services**
Licensure
Workers
Compensation
Retirement/Benefits

Educator
Recruitment,
Retention, &
Recognition

Employee
Recruitment,
Retention, &
Recognition

**Classified Employee
Personnel Services**
Classified Evals
Leave

Facility Services
Mr. Jeremy Russell

Planning and
Property

Systems
Improvement,
Literacy and
Learning Division
Mrs. Michelle Lee

Continuous
Improvement
Deployment

Accreditation

Professional
Learning

Elementary
Education and
Federal Program
Services

Literacy

Learning Coaches

Exceptional
Children's Services

Academic Services
Division
Dr. Tosha Diggs

Secondary
Education Services

Career and
Technical
Education Services

Student Services

Digital Learning
Services

Public Relations
and
Communications
Services
Jennifer Wagner



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Craven County Board of Education

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



Claire Hertz, SFO
President

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Craven County Board of Education
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditors' Report

Board of Education
Craven County Schools
New Bern, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Craven County Schools, North Carolina ("Board"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Other Local Current Expense, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability and OPEB Asset and Liability and the Schedule of Board Contributions on pages 50 through 55, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The individual fund statements and schedules and the accompanying schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the 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. In our opinion, the individual fund statements and schedules, and the accompanying schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections 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 January 11, 2021 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the Board's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
January 11, 2021**

Board of Education of Craven County Schools Management's Discussion and Analysis

As management of the Craven County Board of Education, we offer readers of the Craven County Board of Education's financial statements this narrative overview and analysis of the financial activities of the Craven County Board of Education for the fiscal year ended June 30, 2020. We encourage readers to read the information presented in conjunction with the audited financial statements included in this report.

Financial Highlights

- There was a decrease in the final student average daily membership (ADM) from 13,329 to 13,104. Most of the funding received from the Federal and State grants that flow through the State are based on the general and special groups of student population.
- The Board of Education reported an ending fund balance of \$8,428,911 in the General Fund, an increase of \$1,722,106 in comparison with the prior year. Included in this total is \$228,778, the value of inventories which represents amounts that are non-spendable at year end. Also included in this total is \$498,572 restricted for Stabilization of State Statute and \$1,716,370 assigned for subsequent year's expenditures. The remaining balance of \$5,985,191 is unassigned which is available for spending at the government's discretion.
- The ending fund balance of the Capital Outlay Fund was \$522,059, an increase of \$55,564 from the June 30, 2019 balance of \$466,495.
- The State Public School Fund and the Federal Grants Fund are restricted, and funds are received and expended at the same time. The State Public School Fund's funding remained fairly consistent with that of the previous year, with the exception of the decrease in funding realized from lower ADM. The Federal Grants Fund revenues have decreased this year as compared to previous years.
- The Major Funds include fund balances of \$961,800 for the Individual Schools Fund and \$3,856,200 for the Other Local Current Expense Fund. The Individual Schools Fund is maintained by individual schools and is not required to be budgeted by the Board of Education. The Other Local Current Expense Fund is maintained by the Board to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

Overview of the Financial Statements

The audited financial statements of the Board consist of four components. They are as follows:

- Independent Auditors' Report
- Management's Discussion and Analysis (required supplementary information)
- Basic Financial Statements
- Required supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina and budgetary statements for the governmental and proprietary funds.

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Position (Deficit) and the Statement of Activities. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of

Board of Education of Craven County Schools Management's Discussion and Analysis

resources, obligations to creditors, and deferred inflows of resources. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary fund is presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position (deficit) and how they have changed. Net position - the difference between the total of the Board's assets and deferred outflows of resources and the total of the liabilities and deferred inflows of resources - is one way to measure the unit's financial health or position.

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

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

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

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

Fund Financial Statements

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

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

Board of Education of Craven County Schools Management's Discussion and Analysis

The Board has three types of funds:

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

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

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Board's only proprietary fund is an enterprise fund, School Food Service.

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

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

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

Financial Analysis of the Board as a Whole

The net deficit is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$120.7 million as of June 30, 2020. The largest component of the net deficit is the Board's net investment in capital assets of \$73.4 million. Restricted and unrestricted net position (deficit) amounted to \$2.3 million and (\$195.2) million, respectively. The primary reason for the total net deficit and unrestricted net deficit in the current year is the presentation of the board's proportionate share of the net pension liability and net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net pension liability, net OPEB liability, and related components has a \$205.2 million negative effect to the Board's overall net position.

**Board of Education of Craven County Schools
Management's Discussion and Analysis**

The following is a summary of the Statement of Net Position (Deficit):

**Table 1
Condensed Statement of Net Position (Deficit)
as of June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 22,922,888	\$ 16,974,409	\$ 4,622,633	\$ 3,482,511	\$ 27,545,521	\$ 20,456,920
Capital assets	72,858,781	76,693,742	1,229,487	1,315,053	74,088,268	78,008,795
Total assets	95,781,669	93,668,151	5,852,120	4,797,564	101,633,789	98,465,715
Deferred outflows of resources	32,836,074	31,070,701	753,592	708,720	33,589,666	31,779,421
Current liabilities	8,856,395	10,335,580	321,070	327,870	9,177,465	10,663,450
Long-term liabilities	184,072,763	166,161,141	4,333,297	3,843,210	188,406,060	170,004,351
Total liabilities	192,929,158	176,496,721	4,654,367	4,171,080	197,583,525	180,667,801
Deferred inflows of resources	56,387,594	67,496,544	1,163,717	1,542,457	57,551,311	69,039,001
Invested in capital assets, net of related debt	72,194,599	75,240,225	1,229,487	1,315,053	73,424,086	76,555,278
Restricted net position	2,311,288	2,372,643	4,594	3,131	2,315,882	2,375,774
Unrestricted net deficit	(195,204,896)	(196,867,281)	(446,453)	(1,525,437)	(195,651,349)	(198,392,718)
Total net position (deficit)	<u>\$ (120,699,009)</u>	<u>\$ (119,254,413)</u>	<u>\$ 787,628</u>	<u>\$ (207,253)</u>	<u>\$ (119,911,381)</u>	<u>\$ (119,461,666)</u>

The net deficit of the Board's governmental activities increased from \$119.3 million at June 30, 2019 to \$120.7 million at June 30, 2020, an increase of \$1.4 million. The Board's net investment in capital assets decreased by \$3 million during the year due primarily to depreciation expense in excess of capital outlay expenditures. Restricted net position decreased by \$61 thousand primarily due to decreases in the restricted amounts for individual schools. Unrestricted net deficit decreased by \$1.6 million primarily as a result of the changes in the proportionate share of the Teachers' and State Employees' Retirement System plan net pension liability as well as changes to the proportionate share of the Retiree Health Benefit Fund net OPEB liability and deferred outflows and inflows of resources. Restrictions to net position are related to stabilization by state statute, reserves for the Disability Income Plan of North Carolina and reserves for individual schools. The Board does not believe there are any other restrictions, commitments, or other limitations that will significantly affect fund resources for future use.

The net position (deficit) of business-type activities increased \$995 thousand from \$(207) thousand at June 30, 2019 to \$788 thousand at June 30, 2020. This increase compared to the prior year is primarily related to a \$2.6 million increase in federal reimbursements in excess of an increase in food purchasing expense and salaries and benefits of \$807 thousand and \$885 thousand, respectively.

Board of Education of Craven County Schools Management's Discussion and Analysis

The following table shows the revenues and expenses for the Board for the current fiscal year.

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2020 & 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,566,604	\$ 2,981,764	\$ 839,960	\$ 855,347	\$ 3,406,564	\$ 3,837,111
Operating grants and contributions	96,641,730	96,685,887	8,397,116	5,704,246	105,038,846	102,390,133
Capital grants and contributions	789,335	1,002,609	-	-	789,335	1,002,609
General revenues:						
Unrestricted state and federal appropriations	3,296,749	8,618,669	17,615	-	3,314,364	8,618,669
Unrestricted county appropriations	24,225,153	22,940,248	-	-	24,225,153	22,940,248
Insurance proceeds	69,418	-	-	-	69,418	-
Other revenues	1,200,740	1,276,662	93,843	113,607	1,294,583	1,390,269
Total revenues	128,789,729	133,505,839	9,348,534	6,673,200	138,138,263	140,179,039
Expenses:						
Governmental activities:						
Instructional services	98,712,443	96,322,859	-	-	98,712,443	96,322,859
System-wide support services	26,992,121	30,108,645	-	-	26,992,121	30,108,645
Ancillary services	831,929	726,799	-	-	831,929	726,799
Non-programmed charges	461,080	440,666	-	-	461,080	440,666
Unallocated depreciation expense	3,050,708	3,319,648	-	-	3,050,708	3,319,648
Business-type activities:						
School food service	-	-	8,539,697	6,653,096	8,539,697	6,653,096
Total expenses	130,048,281	130,918,617	8,539,697	6,653,096	138,587,978	137,571,713
Transfers in (out)	(186,044)	-	186,044	-	-	-
(Increase) decrease in net deficit	(1,444,596)	2,587,222	994,881	20,104	(449,715)	2,607,326
Net deficit, beginning	(119,254,413)	(121,841,635)	(207,253)	(227,357)	(119,461,666)	(122,068,992)
Net deficit, ending	<u>\$ (120,699,009)</u>	<u>\$ (119,254,413)</u>	<u>\$ 787,628</u>	<u>\$ (207,253)</u>	<u>\$ (119,911,381)</u>	<u>\$ (119,461,666)</u>

During the year ended June 30, 2020, governmental activities generated revenues of \$128.8 million and incurred expenses of \$130 million, resulting in the aforementioned increase in net deficit for these activities of \$1.4 million after considering transfers out of \$186 thousand. Overall, revenues were down by \$4.7 million when compared to the prior year, while expenses decreased \$870 thousand. The decrease in revenues is primarily the result of decreases in unrestricted state and federal appropriations of \$5.3 million. Primary sources of revenue were funding from the State of North Carolina, Craven County, and the United States government, which respectively comprised 67.3%, 18.8%, and 4.2% of our revenues. As would be expected, the major component of the Board's expenses were instructional services, which accounted for 75.9% of our total during the most recent fiscal year. Of the remaining expenses, 20.6% was attributable to system-wide support services. To assist the Board in mitigating the increased cost of education during the COVID-19 pandemic, the Board received and expended \$508 thousand in funding from the federal government through the Coronavirus Relief Fund and \$506 thousand from the State of North Carolina through the State COVID-19 Supplemental Funds.

Board of Education of Craven County Schools Management's Discussion and Analysis

Business-type activities generated revenue of \$9.3 million and incurred expenses of \$8.5 million, resulting in an increase in net position of \$995 thousand after transfers in of \$186 thousand. This represents an increase of \$975 thousand over the prior year decrease in net deficit of \$20 thousand. The increase in net position compared to the prior year is primarily related to a \$2.6 million increase in federal reimbursements in excess of an increase in food purchasing expense and salaries and benefits of \$807 thousand and \$885 thousand, respectively.

Financial Analysis of the Board's Funds

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

The Board's governmental funds reported a combined fund balance of \$13.8 million at June 30, 2020, a \$2.3 million increase compared to the prior year. Overall, total revenues decreased by \$4.8 million, or (3.6%), compared to the prior year while total expenditures decreased by \$8.8 million, or (6.5)%. The decrease in revenues is attributable to a decrease of \$6.1 million in state funding received in the General Fund for repairs for damage caused by Hurricane Florence. The decrease in expenditures is related to the decrease in state funding referenced above.

For the fiscal year ended June 30, 2020, the Board's General Fund and Other Local Current Expense Fund experienced an increase in fund balance of \$1.7 million and \$537 thousand, respectively. Specifically related to the General Fund, County revenues during this same period increased by \$811 thousand to \$22 million. Expenditures in the General fund decreased \$7.7 million related to the state funding totaling \$6.1 in the prior year which was spent to cover mold remediation from the damage caused by Hurricane Florence. The Other Local Current Expense Fund recognized an increase in total revenues of \$733 thousand when compared to the prior year. During the same period, the Board experienced an increase in expenditures of \$156 thousand.

The Board's State Public School Fund and Federal Grants Fund recognized decreases in revenues of \$261 thousand or 0.31% and \$30 thousand or 0.33%, respectively. The decreases in the State Public School Fund and Federal Grants Fund are attributable to slight decreases in the student population.

The Board's Individual Schools Fund and Capital Outlay Fund had a net change in fund balance of \$(46) thousand and \$55 thousand, respectively. In March 2020, the Board closed all schools in response to the COVID-19 pandemic, which accounts for the decrease in revenues of \$392 thousand and expenditures of \$275 thousand in the Individual Schools Fund. Revenues in the Capital Outlay Fund increased by \$222 thousand, or 8%. This increase is related to an increase in county capital outlay appropriations of \$474 thousand with a corresponding decrease in state funding for buses of \$213 thousand. Capital Outlay Fund expenditures also decreased by \$542 thousand in the current year.

Proprietary Funds: The Board's business-type fund, the School Food Service Fund, generated an increase in net position of \$995 thousand during the year ended June 30, 2020 compared to a decrease in net deficit of \$20 thousand during the prior year, a change of \$975 thousand. As previously mentioned, the change is primarily related to a \$2.6 million increase in federal reimbursements in excess of an increase in food purchasing expense and salaries and benefits of \$807 thousand and \$885 thousand, respectively.

General Fund Budgetary Highlights

During the fiscal year, the Board 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. The General Fund's final budget included \$1,558,226 of appropriated fund balance, none of which was used during the fiscal year-ended June 30, 2020. Amendments were made necessary by all three categories. Amendments were in all fund operations of the Board of Education.

Capital Assets

Board of Education of Craven County Schools Management's Discussion and Analysis

During the fiscal year ended June 30, 2020, capital assets, net of accumulated depreciation, decreased by \$3.8 million for governmental activities and decreased by \$86 thousand for business-type activities, compared to the prior year. During the year, the Board acquired \$440 thousand in equipment and vehicles. Total depreciation charges for the year ended June 30, 2020 was \$4.1 million for governmental activities. Total depreciation charges for the year ended June 30, 2020 was \$253 thousand for business-type activities. For more detailed information, please see Capital Assets in Note 3 in the accompanying notes to the financial statements.

Table 3
Summary of Capital Assets
as of June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 3,074,671	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671	\$ 3,074,671
Buildings and improvements	65,360,295	68,298,485	-	-	65,360,295	68,298,485
Equipment and furniture	686,071	687,453	1,211,832	1,293,914	1,897,903	1,981,367
Vehicles	3,737,744	4,633,133	17,655	21,139	3,755,399	4,654,272
Total	\$ 72,858,781	\$ 76,693,742	\$ 1,229,487	\$ 1,315,053	\$ 74,088,268	\$ 78,008,795

Debt Outstanding

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. During the year ended June 30, 2020, the Board's outstanding debt decreased by \$789 thousand due to made payments on installment purchase obligations for school buses in the current year. For more detailed information, please see Long-Term Obligations in Note 3 in the accompanying notes to the financial statements.

Economic Factors

Craven County Schools experienced a decrease in average daily membership of students from 13,329 students at 2019 year end to 13,104 at 2020 year end. For every fluctuation of 100 students, our state allotments are adjusted by DPI according to funding formulas. The Craven County Board of Education is dependent upon state, federal and local funding to operate.

Administrators within the district continue to meet multiple times each school year to analyze funding available and make best use of those funds. Teaching positions are looked at closely when ADM decreases to ensure we are staying within budgeted positions.

Craven County had a decrease in the annual unemployment rate from 4.19% for calendar year 2019 to 4.08% for 2020 and the per capita personal income increased from \$42,367 in 2018 to \$43,665 in 2019. These numbers indicate some improvement in our local economy. Building inspections decreased from 15,602 in FY 2019 to 14,063 in FY 2020.

Impact of Coronavirus on School Operations 19/20 During the fiscal year, the state and the nation were affected by the spread of coronavirus. Craven County Board of Education's response to the coronavirus provided many extra expenses that had not been in the original budget as the decision was made for the students to remain home and attend school virtually. Our Technology department purchased hotspots and subscriptions for WiFi to provide support to those families who had no or poor internet service. Neighborhood partners allowed students to use internet at their businesses and parking lots. Student Support Services purchased thermometers for daily temperature checks, as well as personal protective equipment. School Nutrition worked with Transportation to deliver meals via buses to all the children. In order to do so, they had to change the way they packaged food and account for those extra expenses for portable packaging. Also, School Nutrition saw a loss of revenue as they were no longer taking in money for meals at school. CARES Act provided relief funding for School Nutrition that was used to pay salaries. This helped ease the burden of all the extra expenses. State COVID-19 Supplemental Funds

Board of Education of Craven County Schools Management's Discussion and Analysis

were used to purchase additional custodial supplies for the required deep cleaning as well as to cover School Nutrition's salaries. In the last several months, we have seen an increase in retirements and resignations due to the staff's concerns regarding returning to the classroom. This has led to many vacancies as we begin to plan for the 20/21 school year.

Requests for Information

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

Denise P. Altman, CPA, Finance Officer
Board of Education of Craven County
3600 Trent Road
New Bern, North Carolina 28562

Board of Education of Craven County Schools
Statement of Net Position (Deficit)
June 30, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,822,557	\$ 3,891,931	\$ 21,714,488
Due from other governments	4,113,028	554,156	4,667,184
Receivables	105,389	2,932	108,321
Net OPEB asset	183,359	4,594	187,953
Internal balances	97,130	(97,130)	-
Inventories	601,425	266,150	867,575
Capital assets:			
Land	3,074,671	-	3,074,671
Other capital assets, net of depreciation	69,784,110	1,229,487	71,013,597
Total capital assets	<u>72,858,781</u>	<u>1,229,487</u>	<u>74,088,268</u>
Total assets	<u>95,781,669</u>	<u>5,852,120</u>	<u>101,633,789</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>32,836,074</u>	<u>753,592</u>	<u>33,589,666</u>
LIABILITIES			
Accounts payable and accrued expenses	262,033	2,498	264,531
Accrued salaries and wages payable	4,390,458	139,884	4,530,342
Unearned revenue	526,348	94,654	621,002
Long-term liabilities:			
Due within one year	3,677,556	84,034	3,761,590
Due in more than one year	<u>184,072,763</u>	<u>4,333,297</u>	<u>188,406,060</u>
Total liabilities	<u>192,929,158</u>	<u>4,654,367</u>	<u>197,583,525</u>
DEFERRED INFLOWS OF RESOURCES	<u>56,387,594</u>	<u>1,163,717</u>	<u>57,551,311</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	72,194,599	1,229,487	73,424,086
Restricted for:			
Stabilization by State Statute	1,166,129	-	1,166,129
Individual Schools	961,800	-	961,800
DIPNC OPEB plan	183,359	4,594	187,953
Unrestricted	<u>(195,204,896)</u>	<u>(446,453)</u>	<u>(195,651,349)</u>
Total net position (deficit)	<u>\$ (120,699,009)</u>	<u>\$ 787,628</u>	<u>\$ (119,911,381)</u>

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

Board of Education of Craven County Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 58,039,100	\$ -	\$ 51,294,129	\$ -	\$ (6,744,971)	\$ -	\$ (6,744,971)
Special populations	13,403,796	-	12,950,264	-	(453,532)	-	(453,532)
Alternative programs	6,654,445	-	5,028,096	-	(1,626,349)	-	(1,626,349)
School leadership	7,748,172	-	4,631,701	-	(3,116,471)	-	(3,116,471)
Co-curricular	690,505	2,544,691	-	-	1,854,186	-	1,854,186
School-based support	12,176,425	-	8,465,677	-	(3,710,748)	-	(3,710,748)
System-wide support services:							
Support and development	1,483,033	-	399,851	-	(1,083,182)	-	(1,083,182)
Special population support and development	681,536	-	531,079	-	(150,457)	-	(150,457)
Alternative programs and services support and development	527,029	-	204,098	-	(322,931)	-	(322,931)
Technology support	1,607,062	-	566,753	-	(1,040,309)	-	(1,040,309)
Operational support	18,915,425	21,913	10,562,941	789,335	(7,541,236)	-	(7,541,236)
Financial and human resource	1,832,015	-	435,947	-	(1,396,068)	-	(1,396,068)
Accountability	143,150	-	132,623	-	(10,527)	-	(10,527)
System-wide pupil support	335,243	-	-	-	(335,243)	-	(335,243)
Policy, leadership, and public relations	1,467,628	-	661,266	-	(806,362)	-	(806,362)
Ancillary services	831,929	-	561,997	-	(269,932)	-	(269,932)
Non-programmed charges	461,080	-	215,308	-	(245,772)	-	(245,772)
Unallocated depreciation expense, excluding direct depreciation expense charged to programs	3,050,708	-	-	-	(3,050,708)	-	(3,050,708)
Total governmental activities	130,048,281	2,566,604	96,641,730	789,335	(30,050,612)	-	(30,050,612)
Business-type activities:							
School food service	8,539,697	839,960	8,397,116	-	-	697,379	697,379
Total primary government	\$ 138,587,978	\$ 3,406,564	\$ 105,038,846	\$ 789,335	\$ (30,050,612)	\$ 697,379	\$ (29,353,233)
General revenues:							
Unrestricted county appropriations - operating					22,022,229	-	22,022,229
Unrestricted county appropriations - capital					2,202,924	-	2,202,924
Unrestricted State and Federal appropriations - operating					3,296,749	-	3,296,749
Unrestricted State appropriations - capital					-	17,615	17,615
Investment earnings, unrestricted					114,904	44,008	158,912
Miscellaneous, unrestricted					1,085,836	49,835	1,135,671
Insurance proceeds					69,418	-	69,418
Total general revenues excluding transfers					28,792,060	111,458	28,903,518
Transfers in (out)					(186,044)	186,044	-
Total general revenues and transfers					28,606,016	297,502	28,903,518
Change in net position (deficit)					(1,444,596)	994,881	(449,715)
Net deficit, beginning					(119,254,413)	(207,253)	(119,461,666)
Net position (deficit), ending					\$ (120,699,009)	\$ 787,628	\$ (119,911,381)

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

Board of Education of Craven County Schools
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

	Major Funds					Other Local Current Expense	Total Governmental Funds
	General	State Public School	Federal Grants Fund	Capital Outlay	Individual Schools		
ASSETS							
Cash and cash equivalents	\$ 12,570,757	\$ -	\$ -	\$ 522,059	\$ 961,800	\$ 3,767,941	\$ 17,822,557
Accounts receivable	7,389	-	-	-	-	98,000	105,389
Due from other governments	174,124	3,600,567	268,898	24,276	-	45,163	4,113,028
Due from other funds	102,803	-	-	-	-	1,766	104,569
Inventories	228,778	372,647	-	-	-	-	601,425
Total assets	<u>\$ 13,083,851</u>	<u>\$ 3,973,214</u>	<u>\$ 268,898</u>	<u>\$ 546,335</u>	<u>\$ 961,800</u>	<u>\$ 3,912,870</u>	<u>\$ 22,746,968</u>
LIABILITIES, DEFERRED INFLOWS OF AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 246,950	\$ -	\$ -	\$ -	\$ -	\$ 15,083	\$ 262,033
Due to other funds	7,439	-	-	-	-	-	7,439
Accrued salaries and wages payable	499,002	3,598,882	250,987	-	-	41,587	4,390,458
Unearned revenue	109,829	374,332	17,911	24,276	-	-	526,348
Total liabilities	<u>863,220</u>	<u>3,973,214</u>	<u>268,898</u>	<u>24,276</u>	<u>-</u>	<u>56,670</u>	<u>5,186,278</u>
Deferred inflows of resources	<u>3,791,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,791,720</u>
Fund balances:							
Nonspendable:							
Inventories	228,778	-	-	-	-	-	228,778
Restricted:							
Stabilization by State Statute	498,572	-	-	522,059	-	145,498	1,166,129
Individual Schools	-	-	-	-	961,800	-	961,800
Assigned:							
Subsequent year's expenditures	1,716,370	-	-	-	-	-	1,716,370
Other special programs	-	-	-	-	-	3,710,702	3,710,702
Unassigned	5,985,191	-	-	-	-	-	5,985,191
Total fund balances	<u>8,428,911</u>	<u>-</u>	<u>-</u>	<u>522,059</u>	<u>961,800</u>	<u>3,856,200</u>	<u>13,768,970</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,083,851</u>	<u>\$ 3,973,214</u>	<u>\$ 268,898</u>	<u>\$ 546,335</u>	<u>\$ 961,800</u>	<u>\$ 3,912,870</u>	
Amounts reported for governmental activities in the Statement of Net Position (Deficit)							
(Exhibit 1) are different because:							
Net OPEB asset							183,359
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds							72,858,781
Deferred outflows of resources related to pensions							20,025,914
Deferred outflows of resources related to OPEB							12,810,160
Some liabilities, including compensated absences and installment purchase obligations, are not due and payable in the current period and therefore are not reported in the funds							(6,795,511)
Net pension liability							(49,513,019)
Net OPEB liability							(131,441,789)
Deferred inflows of resources related to pensions							(596,540)
Deferred inflows of resources related to OPEB							(51,999,334)
Net deficit of governmental activities							<u>\$ (120,699,009)</u>

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants Fund	Capital Outlay	Individual Schools	Other Local Current Expense	
Revenues:							
Intergovernmental:							
State of North Carolina	\$ -	\$ 84,158,281	\$ -	\$ 789,335	\$ -	\$ 1,848,794	\$ 86,796,410
Craven County							
Local current expense	22,022,229	-	-	-	-	-	22,022,229
Other	-	-	-	2,202,924	-	-	2,202,924
U.S. Government	2,183,237	508,443	9,066,025	-	-	822,956	12,580,661
Other	1,535,902	-	-	22,847	2,544,691	1,263,956	5,367,396
Total revenues	25,741,368	84,666,724	9,066,025	3,015,106	2,544,691	3,935,706	128,969,620
Expenditures:							
Current:							
Instructional services:							
Regular instructional	5,765,516	50,573,661	720,468	-	-	614,535	57,674,180
Special populations	184,216	10,189,307	2,760,957	-	-	192,718	13,327,198
Alternative programs	26,715	971,871	4,056,225	-	-	1,571,891	6,626,702
School leadership	3,062,376	4,631,701	-	-	-	2,041	7,696,118
Co-curricular	658,931	-	-	-	-	27,399	686,330
School-based support	1,021,502	8,023,940	441,737	-	2,319,647	313,731	12,120,557
System-wide support services:							
Support and development	611,857	398,187	1,664	-	-	463,891	1,475,599
Special population support and development	138,312	95,223	435,856	-	-	7,814	677,205
Alternative programs and services support and development	204,834	-	204,098	-	-	114,723	523,655
Technology support	1,035,081	566,753	-	-	-	-	1,601,834
Operational support	8,250,809	7,238,204	229,712	-	-	209,400	15,928,125
Financial and human resources	1,390,175	435,947	-	-	-	-	1,826,122
Accountability	9,633	132,623	-	-	-	-	142,256
System-wide pupil support	332,938	-	-	-	-	-	332,938
Policy, leadership, and public relations	799,804	661,266	-	-	-	-	1,461,070
Ancillary services	45,012	561,997	-	-	-	221,171	828,180
Non-programmed charges	490,866	-	215,308	-	-	215	706,389
Debt service:							
Principal	-	-	-	789,335	-	-	789,335
Capital outlay:							
Furniture and equipment	-	-	-	2,008,672	-	-	2,008,672
Buses and motor vehicles	-	-	-	161,535	-	-	161,535
Total expenditures	24,028,577	84,480,680	9,066,025	2,959,542	2,319,647	3,739,529	126,594,000
Revenues over (under) expenditures	1,712,791	186,044	-	55,564	225,044	196,177	2,375,620
Other financing sources (uses):							
Transfers from (to) other funds	-	(186,044)	-	-	(271,130)	271,130	(186,044)
Insurance proceeds	-	-	-	-	-	69,418	69,418
Total other financing sources (uses)	-	(186,044)	-	-	(271,130)	340,548	(116,626)
Net changes in fund balance	1,712,791	-	-	55,564	(46,086)	536,725	2,258,994
Fund balances:							
Beginning of year	6,706,805	-	-	466,495	1,007,886	3,319,475	11,500,661
Increase in reserve for inventories	9,315	-	-	-	-	-	9,315
End of year	\$ 8,428,911	\$ -	\$ -	\$ 522,059	\$ 961,800	\$ 3,856,200	\$ 13,768,970

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

Board of Education of Craven County Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 2,258,994
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	9,315
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(3,834,961)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	9,185,773
Contributions to the OPEB plans in the current fiscal year are not included in the Statement of Activities	4,653,085
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Net OPEB benefit	2,951,870
Proceeds from the sale of capital assets	(4,000)
Gain on sale of capital assets	4,000
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	789,335
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.	
Compensated absences	3,956
Pension expense	(17,461,963)
Total changes in net position (deficit) of governmental activities	<u>\$ (1,444,596)</u>

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 6
Page 1 of 4

	General Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 120,000	\$ -	\$ -	\$ -
Craven County	21,964,991	21,964,991	22,022,229	57,238
U.S. Government	1,622,500	2,235,262	2,183,237	(52,025)
Other	850,000	1,162,363	1,535,902	373,539
	<u>24,557,491</u>	<u>25,362,616</u>	<u>25,741,368</u>	<u>378,752</u>
Expenditures:				
Current:				
Instructional services	11,595,427	12,600,288	10,719,256	1,881,032
System-wide support services	12,986,916	13,777,528	12,773,443	1,004,085
Ancillary services	23,723	45,526	45,012	514
Non-programmed charges	497,500	497,500	490,866	6,634
	<u>25,103,566</u>	<u>26,920,842</u>	<u>24,028,577</u>	<u>2,892,265</u>
Total expenditures	<u>25,103,566</u>	<u>26,920,842</u>	<u>24,028,577</u>	<u>2,892,265</u>
Revenues over (under) expenditures	<u>(546,075)</u>	<u>(1,558,226)</u>	<u>1,712,791</u>	<u>3,271,017</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance appropriated	<u>546,075</u>	<u>1,558,226</u>	<u>-</u>	<u>(1,558,226)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,712,791</u>	<u>\$ 1,712,791</u>
Fund balances:				
Beginning of year			6,706,805	
Increase in reserve for inventories			<u>9,315</u>	
End of year			<u>\$ 8,428,911</u>	

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

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 6
Page 2 of 4

	Other Local Current Expense			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ 2,013,906	\$ 1,848,794	\$ (165,112)
Craven County	-	-	-	-
U.S. Government	-	1,788,075	822,956	(965,119)
Other	-	905,467	1,263,956	358,489
	-	4,707,448	3,935,706	(771,742)
Expenditures:				
Current:				
Instructional services	-	5,057,727	2,722,315	2,335,412
System-wide support services	-	930,525	795,828	134,697
Ancillary services	-	245,861	221,171	24,690
Non-programmed charges	-	559,838	215	559,623
Total expenditures	-	6,793,951	3,739,529	3,054,422
Revenues over (under) expenditures	-	(2,086,503)	196,177	2,282,680
Other financing sources (uses):				
Transfers to other funds	-	290,098	271,130	(18,968)
Insurance proceeds	-	69,418	69,418	-
Total other financing sources (uses)	-	359,516	340,548	(18,968)
Fund balance appropriated	-	1,726,987	-	(1,726,987)
Net change in fund balance	\$ -	\$ -	536,725	\$ 536,725
Fund balances:				
Beginning of year			3,319,475	
Increase in reserve for inventories			-	
End of year			\$ 3,856,200	

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 6
Page 3 of 4

	State Public School Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 87,438,090	\$ 89,387,381	\$ 84,158,281	\$ (5,229,100)
Craven County	-	-	-	-
U.S. Government	-	508,443	508,443	-
Other	-	-	-	-
	<u>87,438,090</u>	<u>89,895,824</u>	<u>84,666,724</u>	<u>(5,229,100)</u>
Expenditures:				
Current:				
Instructional services	78,440,448	78,310,862	74,390,480	3,920,382
System-wide support services	8,894,313	10,492,813	9,528,203	964,610
Ancillary services	103,329	906,105	561,997	344,108
Non-programmed charges	-	-	-	-
	<u>87,438,090</u>	<u>89,709,780</u>	<u>84,480,680</u>	<u>5,229,100</u>
Total expenditures				
	<u>87,438,090</u>	<u>89,709,780</u>	<u>84,480,680</u>	<u>5,229,100</u>
Revenues over (under) expenditures	-	186,044	186,044	-
Other financing sources (uses):				
Transfers to other funds	-	(186,044)	(186,044)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 6
Page 4 of 4

	Federal Grants Fund			Variance with
	Original	Final	Actual	final budget
	Budget	Budget		positive
				(negative)
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Craven County	-	-	-	-
U.S. Government	8,628,555	15,072,218	9,066,025	(6,006,193)
Other	-	-	-	-
	<u>8,628,555</u>	<u>15,072,218</u>	<u>9,066,025</u>	<u>(6,006,193)</u>
Expenditures:				
Current:				
Instructional services	8,402,631	11,832,222	7,979,387	3,852,835
System-wide support services	188,273	2,793,424	871,330	1,922,094
Ancillary services	-	-	-	-
Non-programmed charges	<u>37,651</u>	<u>446,572</u>	<u>215,308</u>	<u>231,264</u>
Total expenditures	<u>8,628,555</u>	<u>15,072,218</u>	<u>9,066,025</u>	<u>6,006,193</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

Board of Education of Craven County Schools
Statement of Net Position (Deficit)
Proprietary Funds
June 30, 2020

Exhibit 7

	<u>Enterprise Major Fund School Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,891,931
Accounts receivable	2,932
Due from other governments	554,156
Due from other funds	15,917
OPEB asset	4,594
Inventories	266,150
Total current assets	<u>4,735,680</u>
Noncurrent assets:	
Capital assets:	
Furniture, equipment and vehicles, net	<u>1,229,487</u>
Total assets	<u>5,965,167</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>753,592</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	2,498
Accrued salaries and wages payable	139,884
Due to other funds	113,047
Unearned revenue	94,654
Compensated absences	84,034
Total current liabilities	<u>434,117</u>
Noncurrent liabilities:	
Net pension liability	1,140,970
Net OPEB liability	3,121,036
Compensated absences	71,291
Total noncurrent liabilities	<u>4,333,297</u>
Total liabilities	<u>4,767,414</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,163,717</u>
NET POSITION (DEFICIT)	
Investment in capital assets	1,229,487
Restricted - DIPNC OPEB plan	4,594
Unrestricted	<u>(446,453)</u>
Total net deficit	<u><u>\$ 787,628</u></u>

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

Board of Education of Craven County Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 8

	<u>Enterprise Major Fund School Food Service</u>
Operating revenues:	
Food sales	\$ 839,960
Operating expenses:	
Food cost:	
Purchase of food	2,918,073
Donated commodities	542,137
Salaries and benefits	3,767,936
Indirect costs	532,336
Materials and supplies	369,707
Repairs and maintenance	44,931
Contracted services	14,980
Depreciation	252,547
Non-capitalized equipment	65,988
Other	<u>31,062</u>
Total operating expenses	<u>8,539,697</u>
Operating loss	<u>(7,699,737)</u>
Nonoperating revenues (expenses):	
Federal reimbursements	7,842,639
Federal commodities	542,137
State reimbursements	12,340
Interest earned	44,008
Gain on sale of capital assets	7,195
Contributed capital	17,615
Other local revenues	<u>42,640</u>
Total nonoperating revenues	<u>8,508,574</u>
Income before transfers	808,837
Transfers from other funds	<u>186,044</u>
Change in net position (deficit)	994,881
Total net deficit, beginning	<u>(207,253)</u>
Total net position, ending	<u><u>\$ 787,628</u></u>

Board of Education of Craven County Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

Exhibit 9

	<u>Enterprise</u> <u>Major Fund</u> <u>School Food</u> <u>Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 832,152
Cash paid for goods and services	(3,739,388)
Cash paid to employees for services	(3,704,414)
Net cash used by operating activities	<u>(6,611,650)</u>
Cash flows from noncapital financing activities:	
Net decrease in due from (to) other funds	15,633
Federal and state reimbursements	7,575,543
Other local donations and grants	42,640
Net cash provided by noncapital financing activities	<u>7,633,816</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(149,366)
Proceeds on sale of capital assets	7,195
Net cash used by capital and financing activities	<u>(142,171)</u>
Cash flows from investing activities:	
Interest earned on investments	44,008
Net increase in cash and cash equivalents	924,003
Cash and cash equivalents, beginning of year	2,967,928
Cash and cash equivalents, end of year	<u>\$ 3,891,931</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (7,699,737)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Transfers in from the State Public School Fund	186,044
Depreciation	252,547
Donated commodities	542,137
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:	
Decrease in accounts receivable	619
Decrease in inventories	48,528
Increase in net OPEB asset	(1,463)
Increase in deferred outflows of resources	(44,872)
Increase in accounts payable and accrued liabilities	2,498
Increase in accrued salaries and wages payable	28,186
Decrease in unearned revenue	(7,808)
Increase in net pension liability	78,562
Increase in net OPEB liability	363,572
Increase in compensated absences payable	18,277
Decrease in deferred inflows of resources	(378,740)
Total adjustments	<u>902,043</u>
Net cash used by operating activities	<u>\$ (6,611,650)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$542,137 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8.

The State Public School Fund paid operating expenses of \$186,044 related to additional costs of COVID-19 on behalf of the School Food Service Fund during the fiscal year. The payment is reflected by a transfer in and an operating expense on Exhibit 8.

During the fiscal year, capital assets of \$17,615 were contributed to the School Food Service Fund. The receipt of these items is reflected as nonoperating revenue on Exhibit 8.

Board of Education of Craven County Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2020

Exhibit 10

	Private Purpose Trust
ASSETS	
Cash	\$ 1,119,942
Notes receivable	<u>34,217</u>
Total assets	<u><u>\$ 1,154,159</u></u>
NET POSITION	
Assets held in trust for scholarships	<u><u>\$ 1,154,159</u></u>

Board of Education of Craven County Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2020

Exhibit 11

	Private Purpose Trust
Additions:	
Interest income	\$ 21,303
Contributions	22,887
Recovery of bad debts	320
Total additions	<u>44,510</u>
Deductions:	
Scholarships	37,500
Management fees	25,000
Bank charges and other expenses	596
Total deductions	<u>63,096</u>
Change in net position	(18,586)
Net position, beginning	<u>1,172,745</u>
Net position, ending	<u><u>\$ 1,154,159</u></u>

Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Board is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Craven County, North Carolina ("County"). The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board does not have any component units for which it is financially accountable, and as such, there are no component units included in the accompanying financial statements.

B. Basis of Presentation

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

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

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

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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

The Board reports the following major governmental funds:

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

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

Federal Grants Fund. The Federal Grants Fund is used to account for federal grant monies administered through the Department of Public Instruction.

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

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

Other Local Current Expense Fund. This fund accounts for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

Administrative Fund. The Administrative Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County. This fund is reported as a private purpose trust fund.

C. Measurement Focus and Basis of Accounting

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

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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds. All amendments must be approved by the governing board. The Board has authorized the Superintendent or designee to transfer appropriations within a fund and will file a report with the Board of all transfers at the functional level at the end of the year or earlier upon requests. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

(1) Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

The Short-Term Investment Fund (STIF) is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2020 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(2) Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

(3) Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved. The State Public School Fund inventories do reflect current appropriable resources and, thus, no equivalent portion of fund balance is nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

(4) Capital Assets

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. In addition, other items that are purchased and used in large quantities, such as student desks, are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

	<u>Years</u>
Buildings and improvements	20 to 50
Equipment and furniture	3 to 10
Vehicles	6
Computer equipment	3

Depreciation for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(5) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position (Deficit) will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position (deficit) that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meets this criterion – pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The Statement of Net Position (Deficit) also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position (deficit) that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – unearned grant revenue and pension and OPEB related deferrals.

(6) Long-term Obligations

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

(7) Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2020 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

(8) Net Position (Deficit)

Net position (deficit) in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State Statute. For purposes of net position classification expenses are to be spent from restricted net position first, followed by unrestricted net position (deficit).

(9) Fund Balance

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

The governmental fund types classify fund balances as follows:

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

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

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

Assigned Fund Balance - portion of fund balance that the Board intends to use for specific purposes.

Other special programs – portion of fund balance that includes carry over funding for the applicable state and federal programs accounted for in the Other Local Current Expense Fund activities as well as a portion of the fund balance that will be used by Other Local Current Expense Fund activities, as determined by the governing body.

Subsequent year's expenditures – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes management to modify the appropriations by resource.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance. While governmental funds other than the General Fund do not report positive unassigned fund balance, they do report deficits, if any, in that category.

The Board 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-board of education funds, board of education funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

F. 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 (deficit)

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position (deficit) – governmental activities* as reported in the government-wide statement of net position (deficit). The net adjustment of \$(134,467,979) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 163,278,643
Less accumulated depreciation	<u>(90,419,862)</u>
Net capital assets	72,858,781
Net OPEB asset	183,359
Pension related deferred outflows of resources	20,025,914
OPEB related deferred outflows of resources	12,810,160
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment financing	(664,182)
Compensated absences	(6,131,329)
Net pension liability	(49,513,019)
Net OPEB liability	(131,441,789)
Deferred inflows of resources related to pensions	(596,540)
Deferred inflows of resources related to OPEB	<u>(51,999,334)</u>
Total adjustment	<u>\$ (134,467,979)</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

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 – total governmental funds* and *changes in net position (deficit) of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(3,703,590) as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 272,671
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.	(4,107,632)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	9,315
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position (deficit) in the government-wide statements	789,335
Contributions to the pension plan in the current fiscal year not included in the Statement of Activities	9,185,773
Contributions to the OPEB plans in the current fiscal year not included in the Statement of Activities	4,653,085
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	(17,461,963)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	3,956
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Net OPEB benefit	2,951,870
Proceeds from the sale of capital assets	(4,000)
Gain on sale of capital assets	<u>4,000</u>
Total adjustment	<u>\$ (3,703,590)</u>

G. Defined Benefit Pension Plans and OPEB Plans

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

2. Detail Notes on all Funds

A. Assets

(1) Deposits

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

At June 30, 2020, the Board had deposits with banks and savings and loans with a carrying amount of \$12,995,158 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$15,240,019 and \$2,255,400, respectively. Of these balances, \$353,049 was covered by federal depository insurance and \$17,142,370 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

(2) Investments

At June 30, 2020, the Board had \$9,839,272 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is classified as a Level 2 fair value investment.

Interest Rate Risk. The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The STIF had a weighted average maturity of 1.3 years as of June 30, 2020.

Credit Risk. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries and agencies, and money market instruments. The Board has no policy on credit risk.

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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(3) Receivables

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

	<u>Due from (to) other funds</u>	<u>Due from other governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 95,364	\$ 174,124	\$ 7,389	\$ 276,877
Other governmental activities	<u>1,766</u>	<u>3,938,904</u>	<u>98,000</u>	<u>4,038,670</u>
Total governmental activities	<u>\$ 97,130</u>	<u>\$ 4,113,028</u>	<u>\$ 105,389</u>	<u>\$ 4,315,547</u>
Business-type activities:				
School Food Service Fund	<u>\$ (97,130)</u>	<u>\$ 554,156</u>	<u>\$ 2,932</u>	<u>\$ 459,958</u>

Internal balances consist of administrative costs due to the General Fund and Other Local Current Expense Fund from the School Food Service Fund.

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 43,065	Miscellaneous revenue from local governments
General Fund	131,059	Sales tax refund
State Public School Fund	3,598,883	Operating funds from DPI
State Public School Fund	1,684	Sales tax refund
Federal Grants Fund	250,987	Federal grant funds
Federal Grants Fund	17,911	Sales tax refund
Capital Outlay Fund	24,276	Sales tax refund
Other Local Current Expense Fund	40,034	Federal reimbursements
Other Local Current Expense Fund	<u>5,129</u>	<u>Miscellaneous revenue from local governments</u>
Total governmental activities	<u>\$ 4,113,028</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 554,156</u>	<u>USDA reimbursements</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(4) Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>3,074,671</u>	<u>-</u>	<u>-</u>	<u>3,074,671</u>
Capital assets being depreciated:				
Buildings	136,290,036	-	-	136,290,036
Improvements	3,147,408	-	-	3,147,408
Equipment and furniture	4,251,789	111,136	-	4,362,925
Vehicles	16,285,367	161,535	43,299	16,403,603
	<u>159,974,600</u>	<u>272,671</u>	<u>43,299</u>	<u>160,203,972</u>
Less accumulated depreciation for:				
Buildings	69,786,940	2,804,936	-	72,591,876
Improvements	1,352,019	133,254	-	1,485,273
Equipment and furniture	3,564,336	112,518	-	3,676,854
Vehicles	11,652,234	1,056,924	43,299	12,665,859
Total accumulated depreciation	<u>86,355,529</u>	<u>4,107,632</u>	<u>43,299</u>	<u>90,419,862</u>
Total capital assets being depreciated, net	<u>73,619,071</u>			<u>69,784,110</u>
Governmental activity capital assets, net	<u>\$ 76,693,742</u>			<u>\$ 72,858,781</u>
Business-type activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 6,089,015	\$ 166,981	\$ 44,186	\$ 6,211,810
Vehicles	177,796	-	-	177,796
Total capital assets being depreciated	<u>6,266,811</u>	<u>166,981</u>	<u>44,186</u>	<u>6,389,606</u>
Less accumulated depreciation:				
Furniture and equipment	4,795,101	249,063	44,186	4,999,978
Vehicles	156,657	3,484	-	160,141
Total accumulated depreciation	<u>4,951,758</u>	<u>252,547</u>	<u>44,186</u>	<u>5,160,119</u>
Business-type activities capital assets, net	<u>\$ 1,315,053</u>			<u>\$ 1,229,487</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 3,050,708
Operational support services	<u>1,056,924</u>
	<u>\$ 4,107,632</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

B. Liabilities

(1) Pension Plan and Other Postemployment Obligations

(a) Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. 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.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2020, was 12.97% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$9,419,253 for the year ended June 30, 2020.

Refunds of Contributions. Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

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

At June 30, 2020, the Board reported a liability of \$50,653,989 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. The Board's proportion was .489% and .477% at June 30, 2020 and June 30, 2019, respectively.

For the year ended June 30, 2020, the Board recognized pension expense of \$17,905,803. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,237,148	\$ 101,406
Changes of assumptions	5,397,382	-
Net difference between projected and actual earnings on pension plan investments	970,966	-
Changes in proportions and differences between Board contributions and proportionate share of contributions	441,263	508,906
Board contributions subsequent to the measurement date	<u>9,419,253</u>	<u>-</u>
Total	<u>\$ 20,466,012</u>	<u>\$ 610,312</u>

The Board reported \$9,419,253 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 7,139,299
2022	1,901,299
2022	1,056,180
2024	<u>339,669</u>
	<u>\$ 10,436,447</u>

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

Inflation	3.0%
Salary increases	3.5 % to 8.1%, including inflation and productivity factor
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

The plan currently uses mortality tables (RP-2014 Total Data Set 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 assumptions used for the December 31, 2018 actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016, Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

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 TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Board's proportionate share of the net pension liability	\$ 96,408,631	\$ 50,653,989	\$ 12,271,675

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

(b) Other Postemployment Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

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

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

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

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

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the fiscal year ended June 30, 2020, employers made a statutory contribution of 6.47% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$4,698,733 for the year ended June 30, 2020.

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

At June 30, 2020, Board reported a liability of \$134,562,825 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and 2019, the Board's proportion was 0.425% and 0.421%, respectively.

The Board reported \$4,698,733 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ (14,126,028)
2022	(14,126,028)
2023	(14,113,073)
2024	(4,140,994)
2025	1,491,121
	<u>\$ (45,015,002)</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

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

Inflation	3.0%
Salary increases based on service	Teachers: 7.55% grading down to 3.5% General Employees: 5.5% grading down to 3.5%
Investment rate of return	7.0%,
Healthcare cost trend rates:	
Medical	6.5% grading down to 5.0% by 2024 for non-MA and MA coverage
Prescription drug	9.5% grading down to 5.0% by 2028
Administrative costs	3.0%
Post-Retirement Mortality Rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78, and projected for mortality improvement using Scale MP-2015

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.5%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.5% was used as the discount rate used to measure the total OPEB liability. The 3.5% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2019.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.5 percent) or 1-percentage point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Board's proportionate share of the net OPEB liability	\$159,909,250	\$ 134,562,825	\$ 114,267,757

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

	1% Decrease Medical - 4.0-5.5%, Pharmacy - 4.0-8.5%, Medicare Advantage - 4.0-5.5%, Administrative - 2.0%	Healthcare Trend Rates Medical - 5.0-6.5%, Pharmacy - 5.0-9.5%, Medicare Advantage - 5.0-6.5%, Administrative - 3.0%	1% Increase Medical - 6.0-7.5%, Pharmacy - 6.0-10.5%, Medicare Advantage - 6.0-7.5%, Administrative - 4.0%
Board's proportionate share of the net OPEB liability	\$ 110,802,282	\$ 134,562,825	\$ 165,804,146

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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the state fiscal year. For the fiscal year ended June 30, 2020, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$72,623 for the year ended June 30, 2020.

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

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

At June 30, 2020, Board reported an asset of \$187,953 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The total OPEB asset was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and 2019, the Board's proportion was 0.436% and 0.424%, respectively.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

The Board reported \$72,623 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	\$ 79,739
2022	52,159
2023	37,589
2024	22,771
2025	32,209
Thereafter	(6,446)
	<u>\$ 218,021</u>

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

Inflation	3.0%
Salary increases	3.5% to 8.1%, including inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Board's proportionate share of the net OPEB asset	\$ 159,192	\$ 187,953	\$ 215,900

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and OPEB expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB (benefit) expense	\$ (3,209,040)	\$ 182,141	\$ (3,026,899)
OPEB liability (asset)	\$ 134,562,825	\$ (187,953)	\$ 134,374,872
Proportionate share of the net OPEB liability (asset)	0.425%	0.436%	
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 192,008	\$ 192,008
Changes of assumptions	6,467,723	20,821	6,488,544
Net difference between projected and actual earnings on pension plan investments	89,608	35,800	125,408
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,543,095	3,243	1,546,338
Employer contributions subsequent to the measurement date	4,698,733	72,623	4,771,356
Total	<u>\$ 12,799,159</u>	<u>\$ 324,495</u>	<u>\$ 13,123,654</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 6,783,662	\$ -	\$ 6,783,662
Changes of assumptions	40,455,483	19,283	40,474,766
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,876,283	14,568	5,890,851
Employer contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 53,115,428</u>	<u>\$ 33,851</u>	<u>\$ 53,149,279</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(2) Payables

Payables as of June 30, 2020 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Totals</u>
Governmental activities:			
General	\$ 246,950	\$ 499,002	\$ 745,952
Other governmental	<u>15,083</u>	<u>3,891,456</u>	<u>3,906,539</u>
Total governmental activities	<u>\$ 262,033</u>	<u>\$ 4,390,458</u>	<u>\$ 4,652,491</u>
Business-type activities:			
School Food Service	<u>\$ 2,498</u>	<u>\$ 139,884</u>	<u>\$ 142,382</u>

(3) Unearned Revenue

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

Sales tax refund receivable (State Public School Fund, General Fund, Federal Grants Fund, and Capital Outlay Fund)	\$ 152,016
State Public School Fund inventories	<u>374,332</u>
Total – governmental activities	<u>\$ 526,348</u>
Prepayment of meals	\$ 86,392
Sales tax refund receivable	<u>8,262</u>
Total – business-type activities	<u>\$ 94,654</u>

(4) Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual Experience (Pension & OPEB)	\$ 4,429,156	\$ 6,885,068
Changes of assumptions (Pension & OPEB)	11,885,926	40,474,766
Difference between projected and actual earnings on plan investments (Pension & OPEB)	1,096,374	-
Change in proportion and differences between employer contributions and proportionate share of contributions (Pension & OPEB)	1,987,601	6,399,757
Board contributions subsequent to the measurement date (Pension & OPEB)	14,190,609	-
Grants not yet earned	<u>-</u>	<u>3,791,720</u>
Totals	<u>\$ 33,589,666</u>	<u>\$ 57,551,311</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(5) Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Board maintains workers' compensation coverage through Key Risk up to the statutory limits for employees to the extent they are paid from Federal and local funds. The State of North Carolina also provides workers' compensation for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for general liability of \$3,150,000, and \$3,150,000 for errors and omissions claims. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage, and for losses in excess of \$250,000 per claim for workers' compensation coverage.

The Board carries automobile insurance through the Trust at the following levels/limits: Automobile and Physical Damage \$1,000,000 for Combined Single Limit BI & PD and Uninsured/Underinsured Motorists, each, Auto Medical Payments \$2,000 and Garage Liability for \$1,000,000 for Combined Single Limit BI & PD and Garage keepers for \$125,000.

The Board also pays premiums to participate in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all-risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption, and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

The Board carries flood insurance on four locations, Oaks Road Elementary, Bridgeton Elementary, West Craven Middle, and West Craven High schools in the amount of \$500,000 each.

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

(6) Contingent Liabilities

At June 30, 2020, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

(7) Long-Term Obligations

(a) **Installment Purchases**

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Mercedes Benz Financial Services USA LLC at total payments less than the purchase price. During the fiscal years ended June 30, 2018, and June 30, 2019, the Board entered into installment purchase contracts for \$1,020,396 and \$741,155, respectively, to finance the purchase of school buses. The financing contracts require principal-only payments, due at the beginning of each contract year.

The future minimum payments due under these installment purchase contracts as of June 30, 2020 are as follows:

<u>Year Ending June 30</u>	
2021	\$ 484,023
2022	<u>180,159</u>
	<u>\$ 664,182</u>

(b) **Long-Term Obligations Activity**

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2020:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 1,453,517	\$ -	\$ 789,335	\$ 664,182	\$ 484,023
Net pension liability	46,422,163	3,090,856	-	49,513,019	-
Net OPEB liability	117,137,793	14,303,996	-	131,441,789	-
Compensated absences	6,135,285	4,315,516	4,319,472	6,131,329	3,193,533
Total	<u>\$ 171,148,758</u>	<u>\$ 21,710,368</u>	<u>\$ 5,108,807</u>	<u>\$ 187,750,319</u>	<u>\$ 3,677,556</u>
Business-type activities:					
Net pension liability	\$ 1,062,408	\$ 78,562	\$ -	\$ 1,140,970	\$ -
Net OPEB liability	2,757,464	363,572	-	3,121,036	-
Compensated absences	137,048	126,695	108,418	155,325	84,034
Total	<u>\$ 3,956,920</u>	<u>\$ 568,829</u>	<u>\$ 108,418</u>	<u>\$ 4,417,331</u>	<u>\$ 84,034</u>

Compensated absences, net pension liability, and net OPEB liability for governmental activities are typically liquidated by the State Public School Fund.

(8) Interfund Activity

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

	<u>Amount</u>
From the State Public School Fund to the School Food Service Fund for additional costs related to COVID-19	\$ 186,044
From the Individual School Fund to the Other Local Current Expense Fund for reimbursement for individual school activity costs	\$ 271,130

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

C. Fund Balance

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

Restrictions for the stabilization by state statute is required by the North Carolina General Statutes. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". The formula is "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.

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	\$ 8,428,911
Less:	
Inventories	228,778
Stabilization by State Statute	498,572
Subsequent year's expenditures	1,716,370
Remaining Fund Balance	<u>\$ 5,985,191</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	General Fund	Capital Outlay Fund	Other Local Current Expense
	\$214,256	\$1,789,921	\$569

3. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus ("COVID-19") to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, and business practices. Federal and state governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses. The COVID-19 pandemic has impacted and may continue to impact our Board, including employees, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

- Schedule of the Proportionate Share of the Net Pension Liability -Teachers' and State Employees' Retirement System
- Schedule of Board Contributions - Teachers' and State Employees' Retirement System
- Schedule of the Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund
- Schedule of Board Contributions – Retiree Health Benefit Fund
- Schedule of the Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina
- Schedule of Board Contributions – Disability Income Plan of North Carolina

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System
Last Seven Fiscal Years*

Schedule 1

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability	0.489%	0.477%	0.480%	0.507%	0.509%	0.510%	0.513%
Board's proportionate share of the net pension liability	\$ 50,653,989	\$ 47,484,571	\$ 38,068,654	\$ 46,628,868	\$ 18,744,391	\$ 5,978,526	\$ 31,156,470
Board's covered payroll	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621	\$ 71,220,667	\$ 68,526,753	\$ 70,847,529
Board's proportionate share of the net pension liability as a percentage of its covered payroll	67.54%	66.74%	55.38%	67.36%	26.32%	8.72%	43.98%
Plan fiduciary net position as a percentage of the total pension liability	92.02%	91.89%	89.51%	87.32%	94.64%	98.24%	90.60%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Last Seven Fiscal Years*

Schedule 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 9,419,253	\$ 9,129,262	\$ 7,555,448	\$ 6,747,114	\$ 6,294,442	\$ 6,482,021	\$ 5,866,848
Contributions in relation to the contractually required contribution	<u>9,419,253</u>	<u>9,129,262</u>	<u>7,555,448</u>	<u>6,747,114</u>	<u>6,294,442</u>	<u>6,482,021</u>	<u>5,866,848</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621	\$ 71,220,667	\$ 68,526,753
Contributions as a percentage of covered payroll	12.83%	12.17%	10.62%	9.82%	9.09%	9.10%	8.56%

* Ten years of data not yet available

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
Last Four Fiscal Years*

Schedule 3

	2020	2019	2018	2017
Board's proportion of the net OPEB liability	0.425%	0.421%	0.438%	0.441%
Board's proportionate share of the net OPEB liability	\$ 134,562,825	\$ 119,895,257	\$ 143,473,565	\$ 191,972,313
Board's covered payroll	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	179.42%	168.52%	208.73%	277.34%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	3.52%	2.41%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Retiree Health Benefit Fund
Last Four Fiscal Years*

Schedule 4

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,698,733	\$ 4,657,483	\$ 4,240,302	\$ 3,928,750
Contributions in relation to the contractually required contribution	<u>4,698,733</u>	<u>4,657,483</u>	<u>4,240,302</u>	<u>3,928,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	6.40%	6.21%	5.96%	5.72%

* Ten years of data not yet available

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Asset
Disability Income Plan of North Carolina
Last Four Fiscal Years*

Schedule 5

	2020	2019	2018	2017
Board's proportion of the net OPEB asset	0.436%	0.424%	0.424%	0.453%
Board's proportionate share of the net OPEB asset	\$ 187,953	\$ 128,916	\$ 259,436	\$ 281,369
Board's covered payroll	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.25%	0.18%	0.38%	0.41%
Plan fiduciary net position as a percentage of the net OPEB asset	116.47%	116.37%	116.23%	116.06%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Disability Income Plan of North Carolina
Last Four Fiscal Years*

Schedule 6

	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 72,623	\$ 103,995	\$ 98,123	\$ 256,876
Contributions in relation to the contractually required contribution	<u>72,623</u>	<u>103,995</u>	<u>98,123</u>	<u>256,876</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	0.10%	0.14%	0.14%	0.37%

* Ten years of data not yet available

Individual Fund Statements and Schedules

Board of Education of Craven County Schools
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Capital Outlay Fund
For the Fiscal Year Ended June 30, 2020

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 2,504,154	\$ 789,335	\$ (1,714,819)
Craven County:			
Appropriations - operating	2,769,927	2,202,924	(567,003)
Other:			
Miscellaneous revenues	<u>22,847</u>	<u>22,847</u>	<u>-</u>
Total revenues	<u>5,296,928</u>	<u>3,015,106</u>	<u>(2,281,822)</u>
Expenditures:			
Capital outlay:			
Furniture and equipment		2,008,672	
Buses and motor vehicles		161,535	
Total capital outlay	<u>2,792,774</u>	<u>2,170,207</u>	<u>622,567</u>
Debt service:			
Principal	<u>2,504,154</u>	<u>789,335</u>	<u>1,714,819</u>
Total expenditures	<u>5,296,928</u>	<u>2,959,542</u>	<u>2,337,386</u>
Net change in fund balance	<u>\$ -</u>	55,564	<u>\$ 55,564</u>
Fund balance:			
Beginning of year		<u>466,495</u>	
End of year		<u>\$ 522,059</u>	

Board of Education of Craven County Schools
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
School Food Service Fund
For the Fiscal Year Ended June 30, 2020

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Food sales	<u>\$ 1,341,926</u>	<u>\$ 839,960</u>	<u>\$ (501,966)</u>
Operating expenditures:			
Business support services:			
Purchase of food		2,869,545	
Donated commodities		542,137	
Salaries and benefits		3,732,600	
Indirect costs		532,336	
Materials and supplies		369,707	
Repairs and maintenance		44,931	
Contracted services		14,980	
Non-capitalized equipment		65,988	
Other		31,062	
Capital outlay		149,366	
Total operating expenditures	<u>8,597,763</u>	<u>8,352,652</u>	<u>245,111</u>
Operating loss	<u>(7,255,837)</u>	<u>(7,512,692)</u>	<u>(256,855)</u>
Nonoperating revenues:			
Federal reimbursements	4,684,175	7,842,639	3,158,464
Federal commodities	385,000	542,137	157,137
State reimbursements	20,000	12,340	(7,660)
Interest earned	34,037	44,008	9,971
Proceeds on sale of capital assets	7,953	7,195	(758)
Other local revenues	108,175	42,640	(65,535)
Total nonoperating revenues	<u>5,239,340</u>	<u>8,490,959</u>	<u>3,251,619</u>
Excess of expenditures over revenues before other financing sources	<u>(2,016,497)</u>	<u>978,267</u>	<u>2,994,764</u>
Other financing sources:			
Transfers from other funds	-	186,044	186,044
Fund balance appropriated	<u>2,016,497</u>	<u>-</u>	<u>(2,016,497)</u>
Excess revenues and other sources over expenditures	<u>\$ -</u>	<u>1,164,311</u>	<u>\$ 1,164,311</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(252,547)	
Equipment purchases		149,366	
Contributed capital		17,615	
Decrease in inventories		(48,528)	
Increase in net OPEB asset		1,463	
Increase in deferred outflows of resources		44,872	
Increase in net pension liability		(78,562)	
Increase in net OPEB liability		(363,572)	
Decrease in compensated absences payable		(18,277)	
Decrease in deferred inflows of resources		378,740	
Change in net position (full accrual)		<u>\$ 994,881</u>	



Statistical Section

STATISTICAL SECTION (UNAUDITED)

This section of the Board's Comprehensive Annual Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the Board's financial position and well-being has changed over time.

Revenue Capacity

As the Board's revenues are derived primarily from property taxes assessed by Craven County, these schedules contain information to help the reader assess the underlying financial sources of revenues.

Debt Capacity

These schedules 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. State law prohibits the Board of Education from issuing debt.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the Board's financial activities are conducted.

Operating Information

These schedules contain staffing, key operating statistics, and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

Board of Education of Craven County Schools
Government-Wide - Net Position (Deficit) by Component
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Governmental activities</u>										
Net investment in capital assets	\$ 72,194,599	\$ 75,240,225	\$ 78,096,960	\$ 80,470,279	\$ 82,629,268	\$ 85,290,617	\$ 87,852,153	\$ 89,941,674	\$ 93,464,054	\$ 96,098,455
Restricted	2,311,288	2,372,643	2,463,948	4,089,163	1,748,079	1,630,750	1,940,884	2,058,288	1,574,314	1,541,526
Unrestricted	(195,204,896)	(196,867,281)	(202,402,543)	(16,174,218)	(16,126,195)	(21,784,295)	(178,046)	1,210,006	6,200,357	3,674,174
Total net position (deficit)	<u>\$ (120,699,009)</u>	<u>\$ (119,254,413)</u>	<u>\$ (121,841,635)</u>	<u>\$ 68,385,224</u>	<u>\$ 68,251,152</u>	<u>\$ 65,137,072</u>	<u>\$ 89,614,991</u>	<u>\$ 93,209,968</u>	<u>\$ 101,238,725</u>	<u>\$ 101,314,155</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 1,229,487	\$ 1,315,053	\$ 1,464,509	\$ 1,734,439	\$ 2,007,864	\$ 1,888,726	\$ 2,136,367	\$ 2,309,214	\$ 2,422,876	\$ 2,027,958
Restricted	4,594	3,131	11,237	-	-	-	-	-	-	-
Unrestricted	(446,453)	(1,525,437)	(1,703,103)	3,033,414	3,267,947	4,194,350	5,148,306	5,153,495	4,857,095	4,586,112
Total net position (deficit)	<u>\$ 787,628</u>	<u>\$ (207,253)</u>	<u>\$ (227,357)</u>	<u>\$ 4,767,853</u>	<u>\$ 5,275,811</u>	<u>\$ 6,083,076</u>	<u>\$ 7,284,673</u>	<u>\$ 7,462,709</u>	<u>\$ 7,279,971</u>	<u>\$ 6,614,070</u>
<u>Total primary government</u>										
Net investment in capital assets	\$ 73,424,086	\$ 76,555,278	\$ 79,561,469	\$ 82,204,718	\$ 84,637,132	\$ 87,179,343	\$ 89,988,520	\$ 92,250,888	\$ 95,886,930	\$ 98,126,413
Restricted	2,315,882	2,375,774	2,475,185	4,089,163	1,748,079	1,630,750	1,940,884	2,058,288	1,574,314	1,541,526
Unrestricted	(195,651,349)	(198,392,718)	(204,105,646)	(13,140,804)	(12,858,248)	(17,589,945)	4,970,260	6,363,501	11,057,452	8,260,286
Total net position (deficit)	<u>\$ (119,911,381)</u>	<u>\$ (119,461,666)</u>	<u>\$ (122,068,992)</u>	<u>\$ 73,153,077</u>	<u>\$ 73,526,963</u>	<u>\$ 71,220,148</u>	<u>\$ 96,899,664</u>	<u>\$ 100,672,677</u>	<u>\$ 108,518,696</u>	<u>\$ 107,928,225</u>

Board of Education of Craven County Schools
Government-Wide - Net Position by Component for Craven County, NC
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Governmental activities</u>										
Net investment in capital assets	\$ 48,698,804	\$ 47,005,992	\$ 44,781,813	\$ 42,035,851	\$ 41,106,523	\$ 40,687,026	\$ 40,967,813	\$ 38,519,516	\$ 37,057,382	\$ 37,674,722
Restricted	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705	9,316,938	9,058,929	8,300,518
Unrestricted	1,260,991	3,642,078	1,530,331	4,940,354	(1,596,184)	(4,408,602)	(8,377,381)	(11,378,791)	(13,148,958)	(14,757,288)
Total net position (deficit)	<u>\$ 75,094,656</u>	<u>\$ 66,096,778</u>	<u>\$ 57,108,718</u>	<u>\$ 58,498,856</u>	<u>\$ 51,796,771</u>	<u>\$ 45,982,586</u>	<u>\$ 41,894,137</u>	<u>\$ 36,457,663</u>	<u>\$ 32,967,353</u>	<u>\$ 31,217,952</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 26,448,945	\$ 26,919,877	\$ 27,637,466	\$ 27,475,458	\$ 25,089,385	\$ 21,306,317	\$ 16,038,577	\$ 17,043,922	\$ 17,751,235	\$ 17,797,133
Unrestricted	12,894,970	12,692,737	12,101,314	11,911,171	12,993,943	15,100,037	18,993,230	16,636,853	14,546,045	13,198,583
Total net position (deficit)	<u>\$ 39,343,915</u>	<u>\$ 39,612,614</u>	<u>\$ 39,738,780</u>	<u>\$ 39,386,629</u>	<u>\$ 38,083,328</u>	<u>\$ 36,406,354</u>	<u>\$ 35,031,807</u>	<u>\$ 33,680,775</u>	<u>\$ 32,297,280</u>	<u>\$ 30,995,716</u>
<u>Total primary government</u>										
Net investment in capital assets	\$ 75,147,749	\$ 73,925,869	\$ 72,419,279	\$ 69,511,309	\$ 66,195,908	\$ 61,993,343	\$ 57,006,390	\$ 55,563,438	\$ 54,808,617	\$ 55,471,855
Restricted	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705	9,316,938	9,058,929	8,300,518
Unrestricted	14,155,961	16,334,815	13,631,645	16,851,525	11,397,759	10,691,435	10,615,849	5,258,062	1,397,087	(1,558,705)
Total net position (deficit)	<u>\$ 114,438,571</u>	<u>\$ 105,709,392</u>	<u>\$ 96,847,498</u>	<u>\$ 97,885,485</u>	<u>\$ 89,880,099</u>	<u>\$ 82,388,940</u>	<u>\$ 76,925,944</u>	<u>\$ 70,138,438</u>	<u>\$ 65,264,633</u>	<u>\$ 62,213,668</u>

Source: Craven County, Finance Department

Board of Education of Craven County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
<u>Governmental activities</u>										
Instructional programs	\$ 98,712,443	\$ 96,322,859	\$ 100,957,478	\$ 94,217,033	\$ 88,297,103	\$ 89,793,446	\$ 92,641,563	\$ 95,039,918	\$ 92,135,190	\$ 91,831,915
Supporting services	26,992,121	30,108,645	24,488,205	21,970,529	21,259,473	21,658,797	20,930,092	24,441,564	23,031,184	22,621,993
Ancillary services	831,929	726,799	240,360	245,612	278,005	277,187	280,351	287,144	256,548	257,423
Non-programmed charges	461,080	440,666	597,677	338,416	294,805	217,738	160,397	105,516	240,789	386,909
Unallocated depreciation	3,050,708	3,319,648	3,540,884	3,317,895	3,155,378	3,017,660	3,006,750	2,983,567	2,948,554	2,898,926
Total governmental activities	<u>130,048,281</u>	<u>130,918,617</u>	<u>129,824,604</u>	<u>120,089,485</u>	<u>113,284,764</u>	<u>114,964,828</u>	<u>117,019,153</u>	<u>122,857,709</u>	<u>118,612,265</u>	<u>117,997,166</u>
<u>Business-type activities</u>										
School food services	8,539,697	6,653,096	7,094,143	7,161,120	7,357,105	7,123,622	7,029,338	7,083,772	6,596,545	6,622,185
Total business-type activities	<u>8,539,697</u>	<u>6,653,096</u>	<u>7,094,143</u>	<u>7,161,120</u>	<u>7,357,105</u>	<u>7,123,622</u>	<u>7,029,338</u>	<u>7,083,772</u>	<u>6,596,545</u>	<u>6,622,185</u>
Total board of education expenses	<u>\$ 138,587,978</u>	<u>\$ 137,571,713</u>	<u>\$ 136,918,747</u>	<u>\$ 127,250,605</u>	<u>\$ 120,641,869</u>	<u>\$ 122,088,450</u>	<u>\$ 124,048,491</u>	<u>\$ 129,941,481</u>	<u>\$ 125,208,810</u>	<u>\$ 124,619,351</u>
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
Instructional programs	\$ 2,544,691	\$ 2,937,012	\$ 3,083,562	\$ 3,143,322	\$ 3,372,377	\$ 3,252,473	\$ 21,777	\$ 31,529	\$ 35,637	\$ -
Supporting services	21,913	44,752	401,733	339,539	644,424	677,605	33,815	38,888	480,157	-
Operating grants and contributions										
Instructional programs	82,369,867	83,593,958	81,289,315	78,839,012	78,007,328	78,726,217	79,030,224	78,782,832	84,008,758	84,294,313
Supporting services	13,494,558	12,322,355	10,398,512	9,758,952	8,097,682	8,618,328	10,922,661	11,360,071	8,716,032	8,951,927
Ancillary services	561,997	518,464	56,224	68,096	53,960	52,277	96,167	60,726	102,793	116,551
Non-programmed charges	215,308	251,110	151,881	126,684	2,089	-	145,336	145,447	127,637	315,920
Capital grants and contributions										
Supporting services	789,335	1,002,609	1,101,722	1,160,786	554,886	-	301,352	257,371	345,119	299,160
Total governmental activities program revenues	<u>99,997,669</u>	<u>100,670,260</u>	<u>96,482,949</u>	<u>93,436,391</u>	<u>90,732,746</u>	<u>91,326,900</u>	<u>90,551,332</u>	<u>90,676,864</u>	<u>93,816,133</u>	<u>93,977,871</u>
<u>Business-type activities</u>										
Charges for services										
School food services	839,960	855,347	1,342,329	1,283,273	1,433,104	1,499,509	1,833,741	2,091,950	2,254,297	2,391,415
Operating grants and contributions										
School food services	8,397,116	5,704,246	4,900,670	5,247,089	5,013,316	4,874,098	4,948,898	5,096,592	4,922,128	4,809,246
Total business-type activities program revenues	<u>9,237,076</u>	<u>6,559,593</u>	<u>6,242,999</u>	<u>6,530,362</u>	<u>6,446,420</u>	<u>6,373,607</u>	<u>6,782,639</u>	<u>7,188,542</u>	<u>7,176,425</u>	<u>7,200,661</u>
Total board of education program revenues	<u>\$ 109,234,745</u>	<u>\$ 107,229,853</u>	<u>\$ 102,725,948</u>	<u>\$ 99,966,753</u>	<u>\$ 97,179,166</u>	<u>\$ 97,700,507</u>	<u>\$ 97,333,971</u>	<u>\$ 97,865,406</u>	<u>\$ 100,992,558</u>	<u>\$ 101,178,532</u>
Net (expense) revenue										
Governmental activities	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)	\$ (23,637,928)	\$ (26,467,821)	\$ (32,180,845)	\$ (24,796,132)	\$ (24,019,295)
Business-type activities	697,379	(93,503)	(851,144)	(630,758)	(910,685)	(750,015)	(246,699)	104,770	579,880	578,476
Total board of education net (expense) revenue	<u>\$ (29,353,233)</u>	<u>\$ (30,341,860)</u>	<u>\$ (34,192,799)</u>	<u>\$ (27,283,852)</u>	<u>\$ (23,462,703)</u>	<u>\$ (24,387,943)</u>	<u>\$ (26,714,520)</u>	<u>\$ (32,076,075)</u>	<u>\$ (24,216,252)</u>	<u>\$ (23,440,819)</u>

Board of Education of Craven County Schools
Government-Wide - General Revenues and Total Change in Net Position (Deficit)
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expense) revenue										
Governmental activities	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)	\$ (23,637,928)	\$ (26,467,821)	\$ (32,180,845)	\$ (24,796,132)	\$ (24,019,295)
Business-type activities	697,379	(93,503)	(851,144)	(630,758)	(910,685)	(750,015)	(246,699)	104,770	579,880	578,476
Total board of education net (expense) revenue	<u>\$ (29,353,233)</u>	<u>\$ (30,341,860)</u>	<u>\$ (34,192,799)</u>	<u>\$ (27,283,852)</u>	<u>\$ (23,462,703)</u>	<u>\$ (24,387,943)</u>	<u>\$ (26,714,520)</u>	<u>\$ (32,076,075)</u>	<u>\$ (24,216,252)</u>	<u>\$ (23,440,819)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Unrestricted county appropriation - operating	\$ 22,022,229	\$ 21,211,289	\$ 20,930,469	\$ 21,828,486	\$ 20,785,208	\$ 19,720,431	\$ 19,067,949	\$ 18,658,502	\$ 18,570,304	\$ 17,858,438
Unrestricted county appropriation - capital	2,202,924	1,728,959	1,958,056	1,095,180	1,146,375	700,000	779,487	1,193,793	1,505,663	756,953
Unrestricted state and federal appropriation - operating	3,296,749	2,485,251	2,244,811	2,969,902	2,688,410	2,635,742	2,114,861	3,399,384	3,766,618	3,218,346
Unrestricted state appropriation - capital	-	6,133,418	-	-	-	-	-	-	-	-
Interest earnings - unrestricted	114,904	114,658	82,859	40,752	19,733	19,077	19,173	39,878	67,565	67,035
Miscellaneous - unrestricted	1,085,836	1,162,004	1,206,089	902,484	1,074,840	884,401	936,805	905,703	855,553	1,680,768
Insurance proceeds	69,418	-	-	-	-	-	-	-	-	-
Transfers	(186,044)	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)	(45,172)	(45,001)	(45,001)
Total governmental activities	<u>28,606,016</u>	<u>32,835,579</u>	<u>26,366,060</u>	<u>26,787,166</u>	<u>25,666,098</u>	<u>23,913,339</u>	<u>22,872,844</u>	<u>24,152,088</u>	<u>24,720,702</u>	<u>23,536,539</u>
<u>Business-type activities</u>										
Unrestricted state appropriation - capital	17,615	-	-	-	-	-	-	-	-	33,095
Interest earnings - unrestricted	44,008	41,362	34,038	32,707	19,023	15,915	14,513	14,511	23,284	28,211
Miscellaneous - unrestricted	49,835	72,245	19,725	40,455	35,929	22,482	8,719	18,285	17,736	62,100
Transfers	186,044	-	56,224	49,638	48,468	46,312	45,431	45,172	45,001	45,001
Total business-type activities	<u>297,502</u>	<u>113,607</u>	<u>109,987</u>	<u>122,800</u>	<u>103,420</u>	<u>84,709</u>	<u>68,663</u>	<u>77,968</u>	<u>86,021</u>	<u>168,407</u>
Total board of education	<u>\$ 28,903,518</u>	<u>\$ 32,949,186</u>	<u>\$ 26,476,047</u>	<u>\$ 26,909,966</u>	<u>\$ 25,769,518</u>	<u>\$ 23,998,048</u>	<u>\$ 22,941,507</u>	<u>\$ 24,230,056</u>	<u>\$ 24,806,723</u>	<u>\$ 23,704,946</u>
Change in net position (deficit)										
Governmental activities	\$ (1,444,596)	\$ 2,587,222	\$ (6,975,595)	\$ 134,072	\$ 3,114,080	\$ 275,411	\$ (3,594,977)	\$ (8,028,757)	\$ (75,430)	\$ (482,756)
Business-type activities	994,881	20,104	(741,157)	(507,958)	(807,265)	(665,306)	(178,036)	182,738	665,901	746,883
Total changes in net position (deficit)	<u>\$ (449,715)</u>	<u>\$ 2,607,326</u>	<u>\$ (7,716,752)</u>	<u>\$ (373,886)</u>	<u>\$ 2,306,815</u>	<u>\$ (389,895)</u>	<u>\$ (3,773,013)</u>	<u>\$ (7,846,019)</u>	<u>\$ 590,471</u>	<u>\$ 264,127</u>

Board of Education of Craven County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue for Craven County, NC
Last Ten Fiscal Years

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
<u>Governmental activities</u>										
General government	\$ 13,026,648	\$ 17,072,762	\$ 11,077,893	\$ 9,925,453	\$ 10,086,514	\$ 9,219,322	\$ 9,529,776	\$ 6,245,251	\$ 10,295,084	\$ 8,577,883
Public safety	23,546,188	23,323,223	21,947,336	20,980,588	19,458,091	18,505,550	18,273,896	21,178,464	16,897,985	16,218,231
Social services	19,946,669	21,170,095	19,157,572	22,760,861	22,231,898	21,913,659	22,078,158	22,566,592	23,091,103	23,268,931
Economic and physical development	4,150,209	3,786,002	2,958,118	4,389,590	4,349,446	4,035,005	3,244,680	2,818,906	3,372,531	3,820,355
Environmental protection	8,048,976	6,370,235	4,950,380	4,608,929	4,998,475	5,121,002	5,200,967	4,949,064	5,044,117	5,234,597
Health	10,605,442	10,508,893	9,404,146	8,626,160	8,338,343	7,784,851	8,495,912	8,883,418	8,391,523	8,467,181
Cultural and recreation	2,871,967	3,346,603	2,675,892	2,535,497	2,403,064	2,289,270	2,435,885	2,334,287	2,287,587	2,357,440
Education	28,571,621	27,166,990	27,018,838	27,005,640	26,313,562	24,559,787	23,691,968	23,743,790	23,781,177	22,244,200
Interest on long term debt	1,347,956	1,152,829	1,550,637	1,803,760	2,105,628	2,360,526	2,617,304	2,739,303	3,488,561	3,772,400
Total governmental activities	<u>112,115,676</u>	<u>113,897,632</u>	<u>100,740,812</u>	<u>102,636,478</u>	<u>100,285,021</u>	<u>95,788,972</u>	<u>95,568,546</u>	<u>95,459,075</u>	<u>96,649,668</u>	<u>93,961,218</u>
<u>Business-type activities</u>										
Water	4,089,249	4,090,859	3,338,714	2,667,016	2,489,876	2,510,634	2,559,429	2,428,976	2,504,781	2,533,584
Total primary government expenses	<u>\$ 116,204,925</u>	<u>\$ 117,988,491</u>	<u>\$ 104,079,526</u>	<u>\$ 105,303,494</u>	<u>\$ 102,774,897</u>	<u>\$ 98,299,606</u>	<u>\$ 98,127,975</u>	<u>\$ 97,888,051</u>	<u>\$ 99,154,449</u>	<u>\$ 96,494,802</u>
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	\$ 1,380,174	\$ 3,139,033	\$ 3,836,181	\$ 4,141,074	\$ 3,170,663	\$ 3,493,235	\$ 2,194,205	\$ 2,056,024	\$ 1,633,609	\$ 1,470,684
Public safety	3,438,127	4,996,889	3,057,836	3,316,974	3,190,889	2,947,087	2,584,019	2,728,253	2,250,857	1,998,438
Social services	760,964	2,520,085	595,252	559,026	630,752	572,655	597,505	920,099	746,897	705,484
Economic and physical development	51,230	216,037	1,159,464	1,101,404	1,052,562	925,772	1,244,763	1,211,200	1,094,565	1,040,227
Environmental protection	3,749,983	2,956,075	2,670,966	2,405,043	2,432,969	2,428,100	2,417,794	2,470,808	2,509,331	2,462,442
Health	4,813,630	5,360,985	5,663,594	5,463,003	5,652,030	3,866,147	5,003,765	5,252,724	5,005,119	5,808,276
Cultural and recreation	371,788	324,505	59,372	61,401	66,145	69,062	89,512	80,782	75,810	72,418
Operating grants and contributions:										
General government	6,671,023	3,894,897	1,929,566	2,166,871	2,122,023	2,306,404	2,337,535	2,051,064	2,238,620	1,298,151
Public safety	1,155,417	1,762,796	489,762	678,254	651,546	430,833	645,226	824,904	845,729	928,821
Social services	12,240,723	11,973,191	11,768,753	15,321,889	15,798,488	16,040,514	14,917,957	14,979,911	15,728,496	15,687,981
Economic and physical development	657,792	656,696	630,177	1,346,255	1,252,208	1,453,613	-	34,034	32,998	-
Environmental protection	227,652	149,568	202,131	158,668	158,994	196,894	253,420	143,287	143,389	130,108
Health	4,336,161	3,896,287	2,858,004	2,378,208	2,185,702	1,556,948	1,645,752	1,704,070	1,701,749	1,821,323
Cultural and recreation	22,000	42,000	-	313,000	563,280	61,000	51,500	37,500	49,500	61,500
Education	-	-	944,400	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	4,472	10,696
Social services	154,899	154,529	138,417	-	120,012	181,004	255,086	134,820	117,377	109,337
Economic and physical development	-	-	515,000	-	-	-	204,085	452,809	580,782	766,166
Cultural and recreation	-	-	-	-	-	-	-	47,731	-	395,394
Education	1,029,300	981,500	-	842,910	1,083,080	926,810	1,030,840	1,010,010	1,129,230	2,136,870
Total governmental activities program revenues	<u>41,060,863</u>	<u>43,025,073</u>	<u>36,518,875</u>	<u>40,253,980</u>	<u>40,131,343</u>	<u>37,456,078</u>	<u>35,472,964</u>	<u>36,140,010</u>	<u>35,888,530</u>	<u>36,904,316</u>
Business-type activities:										
Charge for services - Water	\$ 3,788,451	\$ 3,849,791	\$ 3,945,311	\$ 3,936,307	\$ 3,803,643	\$ 3,809,820	\$ 3,828,806	\$ 3,733,491	\$ 3,709,076	\$ 3,652,217
Total business-type activities program revenues	<u>3,788,451</u>	<u>3,849,791</u>	<u>3,945,311</u>	<u>3,936,307</u>	<u>3,803,643</u>	<u>3,809,820</u>	<u>3,828,806</u>	<u>3,733,491</u>	<u>3,709,076</u>	<u>3,652,217</u>
Total primary government program revenues	<u>\$ 44,849,314</u>	<u>\$ 46,874,864</u>	<u>\$ 40,464,186</u>	<u>\$ 44,190,287</u>	<u>\$ 43,934,986</u>	<u>\$ 41,265,898</u>	<u>\$ 39,301,770</u>	<u>\$ 39,873,501</u>	<u>\$ 39,597,606</u>	<u>\$ 40,556,533</u>
Net (expense) revenue										
Governmental activities	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)	\$ (59,319,065)	\$ (60,761,138)	\$ (57,056,902)
Business-type activities	(300,798)	(241,068)	606,597	1,269,291	1,313,767	1,299,186	1,269,377	1,304,515	1,204,295	1,118,633
Total primary government net (expense) revenue	<u>\$ (71,355,611)</u>	<u>\$ (71,113,627)</u>	<u>\$ (63,615,340)</u>	<u>\$ (61,113,207)</u>	<u>\$ (58,839,911)</u>	<u>\$ (57,033,708)</u>	<u>\$ (58,826,205)</u>	<u>\$ (58,014,550)</u>	<u>\$ (59,556,843)</u>	<u>\$ (55,938,269)</u>

Source: Craven County Finance Department

Board of Education of Craven County Schools
Government-Wide - General Revenues and Total Change in Net Position for Craven County, NC
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (expense) revenue										
Governmental activities	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)	\$ (59,319,065)	\$ (60,761,138)	\$ (57,056,902)
Business-type activities	(300,798)	(241,068)	606,597	1,269,291	1,313,767	1,299,186	1,269,377	1,304,515	1,204,295	1,118,633
Total primary government net (expense) revenue	<u>\$ (71,355,611)</u>	<u>\$ (71,113,627)</u>	<u>\$ (63,615,340)</u>	<u>\$ (61,113,207)</u>	<u>\$ (58,839,911)</u>	<u>\$ (57,033,708)</u>	<u>\$ (58,826,205)</u>	<u>\$ (58,014,550)</u>	<u>\$ (59,556,843)</u>	<u>\$ (55,938,269)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Property taxes	\$ 55,119,160	\$ 54,063,292	\$ 52,594,856	\$ 51,783,504	\$ 49,058,073	\$ 48,065,864	\$ 48,512,236	\$ 47,503,351	\$ 46,550,189	\$ 47,482,900
Local option sales tax	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720	13,594,555	13,491,235	12,415,520
Other taxes and licenses	2,817,033	1,758,121	1,075,286	1,077,699	1,065,391	934,214	862,997	827,554	1,003,991	857,817
Investment earnings	879,774	1,091,545	634,968	305,406	154,860	163,783	156,285	228,358	231,554	282,690
Miscellaneous	1,278,071	3,526,780	454,249	564,447	471,964	658,262	1,006,261	1,519,890	1,128,570	2,091,064
Special Item	130,000	130,000	-	-	-	850,000	1,516,317			
Transfers	-	-	313,222	130,000	105,000	105,000	83,240	102,620	105,000	106,200
Total governmental activities	<u>80,052,691</u>	<u>79,860,619</u>	<u>71,970,088</u>	<u>69,958,168</u>	<u>65,967,763</u>	<u>65,309,363</u>	<u>65,532,056</u>	<u>63,776,328</u>	<u>62,510,539</u>	<u>63,236,191</u>
Business-type activities:										
Investment earnings	101,051	135,443	58,652	23,151	19,192	42,829	57,122	70,659	67,396	72,310
Miscellaneous	61,048	109,459	112,402	140,859	449,015	204,818	107,772	110,942	134,873	114,098
Transfers	(130,000)	(130,000)	(313,222)	(130,000)	(105,000)	(105,000)	(83,240)	(102,620)	(105,000)	(106,200)
Total business-type activities	<u>32,099</u>	<u>114,902</u>	<u>(142,168)</u>	<u>34,010</u>	<u>363,207</u>	<u>142,647</u>	<u>81,654</u>	<u>78,981</u>	<u>97,269</u>	<u>80,208</u>
Total primary government	<u>\$ 80,084,790</u>	<u>\$ 79,975,521</u>	<u>\$ 71,827,920</u>	<u>\$ 69,992,178</u>	<u>\$ 66,330,970</u>	<u>\$ 65,452,010</u>	<u>\$ 65,613,710</u>	<u>\$ 63,855,309</u>	<u>\$ 62,607,808</u>	<u>\$ 63,316,399</u>
<u>Change in Net Position</u>										
Governmental activities	\$ 8,997,878	\$ 8,988,060	\$ 7,748,151	\$ 7,575,670	\$ 5,814,085	\$ 6,976,469	\$ 5,436,474	\$ 4,457,263	\$ 1,749,401	\$ 6,179,289
Business-type activities	(268,699)	(126,166)	464,429	1,303,301	1,676,974	1,441,833	1,351,031	1,383,496	1,301,564	1,198,841
Total primary government	<u>\$ 8,729,179</u>	<u>\$ 8,861,894</u>	<u>\$ 8,212,580</u>	<u>\$ 8,878,971</u>	<u>\$ 7,491,059</u>	<u>\$ 8,418,302</u>	<u>\$ 6,787,505</u>	<u>\$ 5,840,759</u>	<u>\$ 3,050,965</u>	<u>\$ 7,378,130</u>

Source: Craven County Finance Department

Board of Education of Craven County Schools
Governmental Funds - Fund Balances
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 228,778	\$ 219,463	\$ 168,899	\$ 204,773	\$ 278,684	\$ 363,880	\$ 387,531	\$ 420,357	\$ 388,075	\$ 388,247
Restricted	498,572	477,157	226,818	2,196,530	214,920	271,482	184,244	567,439	2,546,285	71,690
Assigned	1,716,370	546,075	780,025	900,615	945,045	1,500,000	2,344,398	1,474,289	3,092,999	1,474,289
Unassigned	5,985,191	5,464,110	6,371,977	4,348,280	2,398,392	456,181	1,019,239	2,677,644	6,113,822	5,121,040
Total General Fund	<u>\$ 8,428,911</u>	<u>\$ 6,706,805</u>	<u>\$ 7,547,719</u>	<u>\$ 7,650,198</u>	<u>\$ 3,837,041</u>	<u>\$ 2,591,543</u>	<u>\$ 3,935,412</u>	<u>\$ 5,139,729</u>	<u>\$ 12,141,181</u>	<u>\$ 7,055,266</u>
All Other Governmental Funds										
Restricted										
Individual Schools Fund	\$ 961,800	\$ 1,007,886	\$ 959,465	\$ 956,303	\$ 915,671	\$ 847,212	\$ 1,052,024	\$ 985,650	\$ 901,888	\$ 945,625
Other Local Current Expense Fund	145,498	295,320	-	-	-	-	2,547,694	81,898	148,698	113,987
Capital Outlay Fund	522,059	466,495	434,709	543,311	442,105	285,648	169,853	423,301	523,728	410,224
Assigned										
Other Local Current Expense Fund	3,710,702	3,024,155	3,406,376	2,648,432	2,296,401	2,659,512	1,922,468	1,654,767	1,387,247	-
Total Other Governmental Funds	<u>\$ 5,340,059</u>	<u>\$ 4,793,856</u>	<u>\$ 4,800,550</u>	<u>\$ 4,148,046</u>	<u>\$ 3,654,177</u>	<u>\$ 3,792,372</u>	<u>\$ 5,692,039</u>	<u>\$ 3,145,616</u>	<u>\$ 2,961,561</u>	<u>\$ 1,469,836</u>

Board of Education of Craven County Schools
Governmental Funds - Fund Balances for Craven County, NC
Last Ten Fiscal Years

<u>General Fund</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Nonspendable										
Stabilization by state statute	\$ 73,681	\$ 40,680	\$ 34,582	\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by state statute	12,415,614	9,666,695	7,681,300	7,866,740	8,690,228	6,619,013	5,866,674	6,505,313	5,621,630	4,839,673
Register of Deeds	41,029		-	-	-	-	3,030	30,700	37,222	58,208
Public Safety	-	24,585	36,076	56,262	81,761	89,738	104,005	117,324	84,542	86,034
Assigned										
Subsequent year's expenditures	1,416,294	-	-	-	79,872	131,509	186,332	-	416,953	-
Unassigned	25,350,019	-	29,358,798	27,936,364	24,262,888	25,565,252	25,743,810	23,440,262	23,271,321	22,190,181
Total General Fund	\$ 39,296,637	\$ 9,731,960	\$ 37,110,756	\$ 35,941,866	\$ 33,114,749	\$ 32,405,512	\$ 31,903,851	\$ 30,093,599	\$ 29,431,668	\$ 27,174,096
<u>All Other Governmental Funds</u>										
Restricted										
Stabilization by state statute	\$ 163,893	\$ 350,349	\$ 246,658	\$ 350,482	\$ 1,102,191	\$ 183,592	\$ 161,598	\$ 194,002	\$ 326,340	\$ 288,406
General Government	2,107,453	913,772	527,388	-	-	-	-	-	-	-
Public Schools	1,874,198	1,518,914	431,771	160,891	448,646	647,407	1,097,060	377,273	1,318,370	3,868,232
Public Safety	6,171,089	1,328,278	1,188,720	1,463,892	759,385	567,449	595,537	2,045,351	1,670,825	1,237,435
Economic and Physical Development	2,361,585	1,646,115	1,212,049	1,541,884	1,204,220	1,596,963	1,475,800	46,975	-	-
Committed										
Capital projects	9,351,742	9,896,332	10,570,948	9,396,089	8,974,443	8,981,920	6,643,056	7,596,194	7,686,508	8,447,983
Unassigned	(378,722)	(240,400)	(149,490)	(136,611)	(47,561)	(145,052)	(268,169)	(19,890)	(196,990)	(141,851)
Total Other Governmental Funds	\$ 21,651,238	\$15,413,360	\$ 14,028,044	\$ 12,776,627	\$ 12,441,324	\$ 11,832,279	\$ 9,704,882	\$ 10,239,905	\$ 10,805,053	\$ 13,700,205

* The 2020 data was not available at time of preparation.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Governmental Funds - Changes in Fund Balances
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
U.S. Government	\$ 12,580,661	\$ 11,670,957	\$ 9,783,743	\$ 10,919,416	\$ 10,922,366	\$ 12,673,392	\$ 13,493,354	\$ 13,234,840	\$ 17,932,373	\$ 19,790,453
State of North Carolina	86,796,410	93,751,392	84,237,299	81,769,230	78,506,354	77,308,097	75,849,565	77,161,119	75,232,184	74,241,925
Craven County	24,225,153	22,940,248	22,888,525	22,923,666	21,931,583	20,420,431	19,847,436	19,852,295	20,075,967	18,615,391
Other local revenues	5,367,396	5,415,985	6,158,477	4,802,457	5,230,962	5,052,068	4,777,889	5,083,571	5,341,312	4,913,192
Total revenues	128,969,620	133,778,582	123,068,044	120,414,769	116,591,265	115,453,988	113,968,244	115,331,825	118,581,836	117,560,961
Expenditures										
Instructional programs	98,131,085	101,829,670	96,432,550	92,419,448	92,381,031	93,418,470	92,084,673	94,278,258	92,351,132	91,915,002
Support services	23,968,804	28,614,996	21,898,728	20,839,242	20,817,592	21,518,556	20,769,531	22,547,709	21,287,984	21,097,425
Ancillary services	828,180	758,190	227,098	239,229	283,963	289,286	280,351	287,144	256,548	257,800
Non-programmed charges	706,389	713,409	760,490	479,990	438,758	385,175	320,491	272,046	240,789	386,909
Debt service	789,335	1,002,609	1,068,510	1,061,143	516,984	520,429	104,886	209,772	-	50,950
Capital outlay	2,170,207	2,499,035	3,386,013	2,744,963	1,577,755	1,755,887	1,210,944	1,731,684	2,171,550	1,234,430
Total Expenditures	126,594,000	135,417,909	123,773,389	117,784,015	116,016,083	117,887,803	114,770,876	119,326,613	116,308,003	114,942,516
Excess of revenues over (under) expenditures	2,375,620	(1,639,327)	(705,345)	2,630,754	575,182	(2,433,815)	(802,632)	(3,994,788)	2,273,833	2,618,445
Other Financing Sources (Uses)										
Transfers from (to) other funds	(186,044)	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)	(45,172)	(45,001)	(45,001)
Installment purchase obligations issued	-	741,155	1,311,594	1,725,910	580,589	1,159,059	-	419,543	-	-
Insurance proceeds	69,418	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	6,399
Total other financing sources (uses)	(116,626)	741,155	1,255,370	1,676,272	532,121	1,112,747	(45,431)	374,371	(45,001)	(38,602)
Change in reserve for inventories	9,315	50,564	-	-	-	-	-	32,282	-	-
Net change in fund balance	\$ 2,268,309	\$ (847,608)	\$ 550,025	\$ 4,307,026	\$ 1,107,303	\$ (1,321,068)	\$ (848,063)	\$ (3,588,135)	\$ 2,228,832	\$ 2,579,843
Debt service as a percentage of noncapital expenditures	0.625%	0.746%	0.888%	0.922%	0.452%	0.448%	0.092%	0.178%	0.000%	0.045%

Board of Education of Craven County Schools
Governmental Funds - Changes in Fund Balances for Craven County, NC
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes:										
Property	\$ 54,957,950	\$ 54,118,386	\$ 52,668,757	\$ 51,917,034	\$ 49,134,422	\$ 48,452,331	\$ 48,823,450	\$ 47,466,725	\$ 47,256,788	\$ 47,123,346
Sales	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720	13,594,555	13,491,235	12,415,519
Other	1,605,717	1,758,121	1,075,286	1,077,699	1,065,391	934,214	862,997	827,554	1,003,991	857,817
Total taxes	76,392,320	75,167,388	70,641,550	69,091,845	65,312,288	63,918,785	63,081,167	61,888,834	61,752,014	60,396,682
Intergovernmental	26,494,967	23,511,297	19,476,210	23,209,055	23,935,338	23,154,019	21,341,401	21,695,955	22,572,342	23,346,347
Charges for Services	15,711,402	13,495,640	17,191,527	17,181,291	16,333,950	14,617,799	14,490,392	15,072,071	13,562,444	13,775,506
Interest	879,774	1,117,519	630,042	297,665	148,453	150,404	142,116	209,474	212,830	262,321
Miscellaneous	1,278,072	3,339,425	934,418	1,009,671	979,965	2,278,429	1,432,328	1,524,801	1,535,915	2,415,734
Total Revenues	120,756,535	116,631,269	108,873,747	110,789,527	106,709,994	104,119,436	100,487,404	100,391,135	99,635,545	100,196,590
Expenditures										
General Government	14,538,888	15,831,603	12,297,021	10,435,517	10,213,411	9,948,357	9,446,475	9,423,766	9,834,924	8,580,077
Public Safety	22,268,324	21,161,542	19,927,529	19,282,826	17,892,625	17,185,318	18,056,044	16,680,517	15,375,134	15,442,372
Environmental Protection	7,655,428	6,042,356	5,473,167	5,357,128	5,079,891	5,140,583	5,121,996	4,908,080	5,005,287	5,169,741
Economic Development	12,429,224	3,499,091	3,054,020	3,849,000	3,950,990	3,612,837	2,764,612	3,059,513	3,134,830	3,412,474
Health	10,312,247	9,437,637	9,009,776	8,235,214	8,379,656	7,644,382	8,200,004	8,605,502	8,405,341	8,408,079
Social Services (2)	19,120,635	19,023,190	19,118,866	22,309,579	22,305,810	22,355,542	22,150,591	22,457,994	23,000,499	23,294,245
Culture and Recreation	3,004,223	3,185,110	2,688,417	2,919,651	3,028,748	2,341,104	2,314,351	2,197,876	2,150,943	2,644,812
Education	28,571,621	27,166,990	27,018,838	27,005,640	26,108,710	24,559,787	23,691,968	23,743,790	23,781,177	22,244,200
Debt Service:										
Principal	5,914,300	6,845,855	7,021,300	6,891,300	6,816,300	6,831,446	6,832,806	6,802,064	6,311,214	6,696,780
Interest	809,936	953,550	1,157,728	1,471,252	1,720,571	1,976,022	2,232,885	2,577,753	3,436,180	3,703,810
Bond Issuance Cost	-	36,100	-	-	-	-	-	-	-	-
Total Expenditures	124,624,826	113,183,024	106,766,662	107,757,107	105,496,712	101,595,378	100,811,732	100,456,855	100,435,529	99,596,590
Excess of revenues over (under) expenditures	(3,868,291)	3,448,245	2,107,085	3,032,420	1,213,282	2,524,058	(324,328)	(65,720)	(799,984)	600,000
Other Financing Sources (Uses)										
Transfers in	10,752,856	7,503,106	9,122,508	7,855,332	6,425,300	7,619,608	8,702,882	9,278,851	6,567,143	8,592,538
Transfers out	(10,652,079)	(7,413,106)	(8,809,286)	(7,725,332)	(6,320,300)	(7,514,608)	(8,619,642)	(9,176,231)	(6,404,739)	(8,486,338)
Special Item	-	-	-	-	-	-	1,516,317	-	-	-
Bonds issued	-	8,335,000	-	-	-	-	-	-	-	-
Refunding bonds issued	-	(8,296,656)	-	-	-	-	-	33,950,000	-	-
Payment to refunding escrow agent	-	-	-	-	-	-	-	(33,890,117)	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from installment note/COPS	10,000,000	-	-	-	-	-	-	-	-	2,163,000
Total other financing sources (uses)	10,100,777	128,344	313,222	130,000	105,000	105,000	1,599,557	162,503	162,404	2,269,200
Net change in fund balances	\$ 6,232,486	\$ 3,576,589	\$ 2,420,307	\$ 3,162,420	\$ 1,318,282	\$ 2,629,058	\$ 1,275,229	\$ 96,783	\$ (637,580)	\$ 2,869,200
Debt service as a percentage of noncapital expenditures	6.03%	7.11%	8.02%	7.98%	8.28%	8.84%	9.28%	9.57%	9.87%	10.62%

Source: Craven County Finance Department

Board of Education of Craven County Schools
Governmental Funds - Revenues by Sources ⁽¹⁾
Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30	STATE	COUNTY	FEDERAL	OTHER	TOTAL
2020	\$ 86,796,410	\$ 24,225,153	\$ 12,580,661	\$ 2,430,384	\$ 126,032,608
2019	93,751,392	22,940,248	11,670,957	2,343,738	130,706,335
2018	84,237,299	22,888,525	9,783,743	1,675,119	118,584,686
2017	81,769,230	22,923,666	10,919,416	1,872,302	117,484,614
2016	78,506,354	21,931,583	10,922,366	1,825,262	113,185,565
2015	77,308,097	20,420,431	12,673,392	1,661,949	112,063,869
2014	75,849,565	19,847,436	13,493,354	1,628,935	110,819,290
2013	77,161,119	19,852,295	13,234,840	1,882,381	112,130,635
2012	75,232,184	20,075,967	17,932,373	1,695,511	114,936,035
2011	74,241,925	18,615,391	19,790,453	1,667,247	114,315,016

Notes:

1. Excludes Individual Schools Funds

Board of Education of Craven County Schools
Expenditures by Function Per Pupil and in Total⁽¹⁾
Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30	FINAL ADM ⁽²⁾	INSTRUCTIONAL PROGRAMS	SUPPORTING SERVICES	ANCILLARY SERVICES	NON- PROGRAMMED CHARGES	CAPITAL OUTLAY	CHILD NUTRITION	DEBT SERVICE	TOTAL
2020	13,104	7,188 95,811,438	1,798 23,968,804	62 828,180	53 706,389	163 2,170,207	641 8,539,697	59 789,335	9,964 132,814,050
2019	13,329	7,445 99,235,452	2,147 28,614,996	57 758,190	54 713,409	187 2,499,035	499 6,656,096	75 1,002,609	10,464 139,479,787
2018	13,665	6,856 93,683,774	1,603 21,898,728	17 227,098	56 760,490	248 3,386,013	519 7,094,143	78 1,068,510	9,376 128,118,756
2017	13,860	6,470 89,670,672	1,504 20,839,242	17 239,229	35 479,990	198 2,744,963	517 7,161,120	77 1,061,143	8,816 122,196,359
2016	14,004	6,402 89,659,680	1,487 20,817,592	20 283,963	31 438,758	113 1,577,755	525 7,357,105	37 516,984	8,616 120,651,837
2015	13,857	6,533 90,523,497	1,553 21,518,556	21 289,286	28 385,175	127 1,755,887	514 7,123,622	38 520,429	8,813 122,116,452
2014	14,131	6,328 89,426,847	1,470 20,769,531	20 280,351	23 320,491	86 1,210,944	497 7,029,338	7 104,886	8,431 119,142,388
2013	14,581	6,260 91,280,936	1,546 22,547,709	20 287,144	19 272,046	119 1,731,684	486 7,083,772	14 209,772	8,464 123,413,063
2012	14,743	6,056 89,281,898	1,444 21,287,984	17 256,548	16 240,789	147 2,171,550	447 6,596,545	- -	8,128 119,835,314
2011	14,751	6,045 89,167,082	1,430 21,097,425	17 257,800	26 386,909	84 1,234,430	449 6,622,185	3 50,950	8,055 118,816,781

Notes:

1. Excludes individual schools

2. ADM = Average Daily Membership (Final) - The total number of school days within a given term or school year that a student's name is on the current roll of a class, regardless of his/her being present or absent, is the "number of days in membership" for that student. The sum of the "number of days in membership" for all students divided by the number of school days in that term yields ADM. The final average daily membership is the total days in membership for all students over the school year divided by the number of days school was in session. Source: NCDPI web.

Board of Education of Craven County Schools
Outstanding Debt
Last Ten Fiscal Years

	Installment Purchases	Total	Per Student
2020	\$ 664,182	\$ 664,182	\$ 51
2019	1,453,517	1,453,517	109
2018	1,714,971	1,714,971	126
2017	1,471,887	1,471,887	106
2016	807,120	807,120	58
2015	743,515	743,515	54
2014	*	*	*
2013	*	*	*
2012	*	*	*
2011	*	*	*

Source: Craven County Schools Finance Office

* Information not available

Board of Education of Craven County Schools
Assessed Value and Actual Value of Taxable Property for Craven County, NC
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)					
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
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
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
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
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
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
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
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
2012	5,738,196,566	2,159,760,665	46,066,910	129,376,082	1,396,207,233	143,182,465	9,621,789,921	0.4728	9,495,989,253
2011	5,721,630,715	2,133,969,998	46,058,910	113,839,891	1,425,520,814	141,105,952	9,582,126,280	0.4728	9,591,717,998

Notes:

(1) Present use value property is agricultural, horticultural and forestland for which the owner has applied or 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 2019 figure is based on property sales which took place in calendar 2018 and the sales to assessment ratio was 95.03%.)

(5) The last reassessment was on January 1, 2016 and was the basis for fiscal 2017 taxes. Next reassessment will occur on January 1, 2022 and then in 2028.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Direct and Overlapping Property Tax Rates for Craven County, NC
Last Ten Fiscal Years

	Year Taxes Are Payable									
	2020	2019	2018	2017 (1)	2016	2015	2014	2013	2012	2011
Craven County	\$.5494	\$.5394	\$.5394	\$.5394	\$.4675	\$.4675	\$.4675	\$.4700	\$.4728	\$.4728
<u>Municipality Rates:</u>										
Bridgeton	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000
Cove City	.2700	.2700	.2678	.2678	.2500	.1500	.1500	.1500	.1500	.1500
Dover	.3500	.3500	.3500	.3500	.3000	.3000	.3000	.3000	.3000	.3000
Havelock	.5900	.5900	.5900	.5900	.5100	.4850	.4650	.4650	.4650	.4650
New Bern	.4822	.4600	.4600	.4600	.4100	.4100	.4100	.4100	.4100	.4100
River Bend	.2600	.2400	.2900	.3105	.2650	.2650	.2650	.2650	.2650	.2650
Trent Woods	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1900	.1900
Vanceboro	.5300	.5300	.5300	.5300	.4600	.4600	.4600	.4600	.4600	.4600
<u>Fire Districts:</u>										
Rhems	.0400	.0400	.0457	.0457	.0389	.0389	.0389	.0414	.0314	.0314
Township #1	.0269	.0269	.0269	.0269	.0250	.0250	.0250	.0250	.0250	.0250
Tri Community	.0555	.0555	.0555	.0658	.0527	.0377	.0277	.0277	.0277	.0277
Little Swift Creek	.0650	.0700	.0700	.0700	.0549	.0549	.0549	.0549	.0549	.0499
Township #3	.0900	.0861	.0861	.0861	.0774	.0624	.0624	.0624	.0624	.0624
Township #5	.0653	.0653	.0653	.0653	.0553	.0453	.0453	.0453	.0453	.0453
Township #6	.0500	.0500	.0586	.0586	.0520	.0480	.0480	.0516	.0516	.0516
Township #7	.0250	.0250	.0272	.0216	.0190	.0177	.0177	.0177	.0177	.0177
West New Bern	.0391	.0391	.0457	.0391	.0349	.0324	.0324	.0324	.0324	.0324
Township #9	.0746	.0746	.0746	.0746	.0682	.0682	.0582	.0582	.0582	.0582
Sandy Point	.0672	.0672	.0672	.0672	.0527	.0377	.0352	.0352	.0352	.0352

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

Source: Craven County Finance Department

Board of Education of Craven County Schools
Principal Property Tax Payers for Craven County, NC
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2020			Fiscal Year 2011		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Paper Company	Wood pulp manufacturer	\$ 175,476,791	1	1.83%			
BSH Home Appliances Corp	Home appliance manufacturer	154,959,800	2	1.61%	88,714,247	2	0.93%
Duke Energy Progress Inc.	Electric utility	72,120,074	3	0.75%	45,496,273	4	0.47%
Weyerhaeuser Company	Real estate investment trust	60,412,920	4	0.63%	64,344,540	3	0.67%
NC New Bern LLC	Real estate development	32,192,090	5	0.34%			
Atlantic Marine Corps Communities LLC	Real estate development	28,935,618	6	0.30%	33,026,305	6	0.34%
Wal-Mart Real Estate Business Trust	Real estate development	26,542,720	7	0.28%			
New Bern Apartments LLC	Real estate development	24,599,992	8	0.26%			
Craven Wood Energy LTD	Electricity manufacturer	22,840,959	9	0.24%			
Piedmont Natural Gas Co Inc	Natural Gas utility	22,493,705	10	0.23%			
Weyerhaeuser NR Company	Wood pulp manufacturer				193,319,487	1	2.02%
Carolina Telephone and Telegraph	Communications utility				44,585,095	5	0.47%
Hatteras Yachts	Yacht builder				24,398,155	8	0.25%
Blakemore 300 Executive Parkway & Kaplan 300	Real estate development				23,820,773	9	0.25%
New Bern Riverfront Development LLC	Real estate development				29,920,263	7	0.31%
Carolina Creek LLC	Real estate development				23,061,480	10	0.24%
Totals		\$ 620,574,669		6.47%	\$ 570,686,618		5.95%

Source: Craven County Tax Department

Board of Education of Craven County Schools
Property Tax Levies and Collections for Craven County, NC
Last Ten Fiscal Years

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

* Information not available

Source: Craven County Finance Department

Board of Education of Craven County Schools
Ratios of Outstanding Debt by Type for Craven County, NC
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
	General	Installment	Capital	General	Installment			
	Obligation Bonds	Loans	Leases	Obligation Bonds	Loans			
2020	\$ 5,947,000	\$ 31,128,149	\$ -	\$ -	\$ 14,152,717	\$ 51,227,866	\$ 493	*
2019	8,614,265	24,654,450	-	-	15,041,781	48,310,496	466	1.08%
2018	11,109,056	29,025,750	-	-	15,930,845	56,065,651	541	1.29%
2017	13,808,847	33,427,050	-	-	16,819,909	64,055,806	619	1.48%
2016	16,448,638	37,862,267	-	-	16,279,594	70,590,499	684	1.68%
2015	19,059,987	42,252,485	-	5,000	5,601,369	66,918,841	648	1.62%
2014	21,711,331	46,597,703	20,146	25,000	3,735,899	72,090,079	692	1.76%
2013	24,402,675	50,902,921	41,652	45,000	2,820,859	78,213,106	750	1.91%
2012	27,144,019	50,442,473	62,415	95,000	1,041,486	78,785,393	749	2.01%
2011	29,915,363	54,142,701	-	145,000	1,148,224	85,351,288	815	2.24%

* Information not available

Notes:

(1) See "Demographic and Economic Statistics for Craven County, NC" 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 is not available to calculate fiscal year 2020.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Ratios of Net General Bonded Debt Outstanding for Craven County, NC
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			
2020	\$ 5,947,000	\$ 2,201,532	\$ 3,745,468	*	0.04%	36
2019	8,614,265	1,210,957	7,403,308	0.17%	0.07%	72
2018	11,109,056	401,190	10,707,866	0.25%	0.11%	103
2017	13,808,847	155,992	13,652,855	0.31%	0.15%	132
2016	16,448,638	448,646	15,999,992	0.38%	0.18%	155
2015	19,064,987	647,407	18,417,580	0.45%	0.21%	178
2014	21,736,331	1,097,061	20,639,270	0.50%	0.23%	198
2013	24,447,675	377,273	24,070,402	0.59%	0.26%	231
2012	27,239,019	745,260	26,493,759	0.68%	0.28%	252
2011	30,060,363	1,790,762	28,269,601	0.74%	0.29%	270

* Information not available.

Notes:

(1) See "Demographic and Economic Statistics for Craven County, NC" 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 is not available to calculate fiscal year 2020.

(2) See "Assessed Value and Actual Value of Taxable Property for Craven County, NC" for estimated actual taxable value data.

Source: Craven County Finance Department

Board of Education of Craven County Schools
NC Legal Debt Margin Information for Craven County, NC
Last Ten Fiscal Years
(dollars in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Value of Property	\$ 9,596,740	\$ 9,540,578	\$ 9,320,966	\$ 9,205,215	\$ 10,023,729	\$ 9,904,146	\$ 10,005,692	\$ 9,738,050	\$ 9,612,790	\$ 9,582,126
Debt Limit, 8% of Assessed Value (Statutory Limitation)	767,739	763,246	745,677	736,417	801,898	792,332	800,455	779,044	769,023	766,570
Amount of Debt Applicable to Limit										
Gross debt	51,228	48,310	56,066	64,056	70,590	66,919	72,090	78,213	78,785	85,351
Less: Amount available for repayment of bonds	2,202	7,403	1,211	156	449	647	1,105	377	745	1,791
Debt outstanding for water and sewer purposes	14,153	15,042	15,931	16,820	16,280	5,606	3,761	2,866	1,136	1,293
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	<u>34,873</u>	<u>25,865</u>	<u>38,924</u>	<u>47,080</u>	<u>53,861</u>	<u>60,666</u>	<u>67,224</u>	<u>74,970</u>	<u>76,904</u>	<u>82,267</u>
Legal Debt Margin	<u>\$ 732,866</u>	<u>\$ 737,381</u>	<u>\$ 706,753</u>	<u>\$ 689,337</u>	<u>\$ 748,037</u>	<u>\$ 731,666</u>	<u>\$ 733,231</u>	<u>\$ 704,074</u>	<u>\$ 692,119</u>	<u>\$ 684,303</u>
Total net debt applicable to the limit as a percentage	4.54%	3.39%	5.22%	6.39%	6.72%	7.66%	8.40%	9.62%	10.00%	10.73%

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.

Board of Education of Craven County Schools
Pupils in Membership By Ethnic Origin And Sex⁽¹⁾
Last Ten Fiscal Years

YEAR ENDED JUNE 30	AMERICAN INDIAN		ASIAN		HISPANIC		BLACK		WHITE		MULTI-RACIAL		TOTALS
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
2020	10	12	324	282	797	766	1,851	1,692	3,361	3,111	449	486	13,141
2019	15	12	330	289	800	788	1,888	1,811	3,442	3,182	531	517	13,605
2018	14	15	317	294	750	705	1,975	1,883	3,671	3,348	405	439	13,816
2017	15	16	335	309	692	724	2,043	1,935	3,714	3,448	372	392	13,995
2016	18	21	287	304	654	703	2,098	2,000	3,777	3,524	338	378	14,102
2015	18	21	269	284	604	673	2,069	1,977	3,726	3,472	351	393	13,857
2014	21	21	278	281	626	639	2,113	2,049	3,809	3,555	340	399	14,131
2013	21	22	263	268	596	640	2,135	2,128	4,030	3,750	341	387	14,581
2012	25	27	239	251	578	653	2,195	2,147	4,094	3,849	341	369	14,768
2011	30	20	236	247	448	455	2,252	2,283	4,157	4,079	348	378	14,933

* Information not available.

Source: FY 2011-2020 Craven County Board of Education Student Accountability Office

Notes:

(1) School membership reported by race/ethnic origin as of the end of the first school month which is the only month this data is collected. These figures should not be confused with average daily membership.

Board of Education of Craven County Schools **Dropouts by Grades And Reasons**

Year Ended June 30	<u>2020*</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Grade										
07	*	3	1	-	-	-	0	0	0	1
08	*	3	3	1	2	-	1	1	2	0
09	*	26	27	21	25	36	34	34	32	59
10	*	33	33	35	30	30	33	33	34	45
11	*	18	18	31	28	30	19	19	24	30
12	*	18	18	21	15	15	9	9	14	18
TOTAL	*	101	100	109	100	111	96	96	106	153

Includes: ALL RACES ALL AGES
 BOTH GENDERS ALL REASONS

	FY 2019-2020*							FY 2018-2019							FY 2017-2018						
	Grade							Grade							Grade						
	07	08	09	10	11	12	Total	07	08	09	10	11	12	Total	07	08	09	10	11	12	Total
Academic problems	-	-	-	-	-	-	-	-	1	-	2	-	2	5	-	1	-	2	-	2	5
Attendance family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attendance personal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attendance	-	-	-	-	-	-	-	-	2	18	21	9	9	59	-	2	18	21	9	9	59
Attendance work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Need to care for children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community college dropout	-	-	-	-	-	-	-	-	-	3	4	2	1	10	-	-	3	4	2	1	10
Discipline problem	-	-	-	-	-	-	-	-	-	-	2	1	1	4	-	-	-	2	-	-	2
Psychological or emotional	-	-	-	-	-	-	-	-	-	1	1	-	-	2	-	-	1	1	-	1	3
Health problems	-	-	-	-	-	-	-	-	-	-	-	1	1	2	-	-	-	-	1	1	2
Unstable home environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incarcerated in adult facility	-	-	-	-	-	-	-	-	-	-	1	1	-	2	-	-	-	1	1	-	2
Lack of student engagement	-	-	-	-	-	-	-	-	-	3	-	3	1	7	-	-	3	-	3	1	7
Long-term suspension	-	-	-	-	-	-	-	-	-	1	1	-	-	2	-	-	1	1	1	-	3
Marriage/engagement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Moved, school status unknown	-	-	-	-	-	-	-	2	-	-	-	-	-	2	-	-	-	-	-	-	-
Pregnancy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Runaway	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	1	1
Choice of work over school	-	-	-	-	-	-	-	-	-	-	1	1	1	3	-	-	-	1	1	1	3
Unknown/other	-	-	-	-	-	-	-	1	-	-	-	-	1	2	1	-	1	-	-	1	3
	-	-	-	-	-	-	-	3	3	26	33	18	18	101	1	3	27	33	18	18	100

* Information not available.

Source: NC Public Schools FY 2011 - FY 2019
 FY 2011 - FY 2019 Craven County Schools' Student Service Office

Board of Education of Craven County Schools
Personnel Summary
For The Last Ten Years
(Full-Time Personnel Only)

YEAR ENDED	ADMINISTRATORS						PRINCIPALS/ ASSISTANT PRINCIPALS						TEACHERS						OTHER PROFESSIONALS						TEACHER ASSISTANTS						OTHER CLASSIFIED						TOTALS					
							Sex			Race / Ethnic									Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic								
	Sex			Race / Ethnic						Sex			Race / Ethnic			Sex						Race / Ethnic						Sex						Race / Ethnic								
	JUNE 30	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O					
2020	24	7	17	19	5	-	56	17	39	42	14	-	739	157	582	622	105	12	83	1	82	67	13	3	64	3	61	40	23	1	110	65	45	68	35	7	1,076	250	826	858	195	23
2019	22	6	16	16	6	-	54	17	37	40	14	-	750	163	587	628	104	7	88	7	81	74	11	2	*	5	69	48	25	-	189	70	119	127	53	9	1,177	268	909	933	213	18
2018	25	10	15	19	6	0	56	18	38	43	12	1	853	180	673	719	114	20	53	4	49	51	2	0	88	4	84	58	28	2	189	72	117	126	58	5	1,264	288	976	1,016	220	28
2017	25	12	13	19	6	0	32	7	25	24	7	1	835	172	663	722	95	18	114	17	97	98	14	2	125	5	120	81	43	1	210	79	131	146	55	9	1,341	292	1,049	1,090	220	31
2016	25	9	16	21	4	0	55	21	34	38	15	2	854	170	684	734	101	19	89	6	83	80	7	2	172	11	161	109	61	2	231	97	134	160	57	14	1,426	314	1,112	1,142	245	39
2015	26	10	16	21	5	0	55	18	37	35	18	2	904	162	742	784	102	18	91	4	87	83	7	1	215	17	198	136	74	5	234	78	156	173	48	13	1,525	289	1,236	1,232	254	39
2014	24	7	17	20	4	0	57	19	38	36	19	2	890	169	721	778	99	13	98	7	91	89	9	0	231	21	210	148	81	2	264	92	172	189	68	7	1,564	315	1,249	1,260	280	24
2013	20	6	14	17	3	0	55	21	34	35	18	2	913	178	735	799	101	13	101	10	91	92	9	0	261	24	237	173	86	2	277	94	183	195	74	8	1,627	333	1,294	1,311	291	25
2012	19	6	13	16	3	0	54	20	34	34	18	2	918	179	739	803	101	14	106	11	95	97	9	0	260	23	237	172	86	2	280	95	185	198	75	7	1,637	334	1,303	1,320	292	25
2011	20	6	14	17	3	0	54	19	35	34	18	2	918	179	739	800	103	15	107	10	97	97	9	1	282	20	262	191	88	3	272	91	181	192	74	6	1,653	325	1,328	1,331	295	27

Source: Craven County Board of Education Human Resource Department

Board of Education of Craven County Schools
Teacher Salaries*
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2020	\$ 35,000	\$ 63,440	\$ 43,325
2019	35,000	64,700	49,850
2018	35,000	56,260	45,630
2017	35,000	63,850	49,425
2016	35,000	56,260	45,630
2015	33,000	62,260	47,630
2014	30,800	62,620	46,710
2013	30,800	64,750	47,775
2012	30,430	64,750	47,590
2011	30,430	64,750	47,590

*Does Not Include Benefits, As of the 6th pay period.

Source: Craven County Board of Education Finance Office

Board of Education of Craven County Schools
Demographic and Economic Statistics for Craven County, NC
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)
2020	103,983	*	*	13,113	4.08%	14,063
2019	103,779	4,493,680	43,665	13,584	4.19%	15,602
2018	103,594	4,345,888	42,367	13,778	4.73%	8,941
2017	103,426	4,340,800	41,962	14,002	5.26%	9,688
2016	103,184	4,195,496	40,555	14,120	6.12%	8,918
2015	103,215	4,121,440	39,436	14,297	6.80%	7,538
2014	104,108	4,100,424	39,243	14,472	9.00%	7,811
2013	104,223	4,094,203	39,078	14,606	9.70%	8,530
2012	105,159	3,910,918	37,420	14,749	11.00%	9,498
2011	104,769	3,816,083	36,732	14,817	11.00%	9,537

* Information not 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.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Principal Employers for Craven County, NC
Current Year and Ten Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,498	1	13.82%	5,408	1	14.20%
CarolinaEast Health Systems	2,303	2	5.79%	2,100	2	5.51%
Craven County Schools	1,646	3	4.14%	1,917	3	5.03%
BSH Home Appliances	1,200	4	3.02%	800	5	2.10%
Moen Incorporated	820	5	2.06%	630	6	1.65%
State of North Carolina	797	6	2.00%	938	4	2.46%
Craven County	650	7	1.63%	626	7	1.64%
Wal-Mart	622	8	1.56%	430		1.13%
Craven Community College	531	9	1.34%	460	10	1.21%
City of New Bern	451	10	1.13%	509	9	1.34%
Hatteras Yachts				540	8	1.42%
	<u>14,518</u>		<u>36.49%</u>	<u>14,358</u>		<u>37.69%</u>

Source: Craven County Economic Development Commission and N.C. Employment Security Commission

Notes: (1) Excludes 7,215 active military personnel based in Craven County. It includes civilian employment at the Fleet Readiness Center, Naval Naval Health Clinic, 2nd MAW, and MCAS Cherry Point.

Board of Education of Craven County Schools
Full-time Equivalent County Government Employees by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	84	80	78	78	77	78	80	77	72	75
Public safety	178	184	164	162	157	154	158	142	141	148
Social services	192	215	207	204	195	188	197	191	208	213
Economic and physical development	9	21	20	23	23	20	21	22	18	23
Environmental protection	28	32	30	28	29	31	30	29	30	32
Health	101	105	98	99	93	90	97	102	104	106
Transportation	17	-	-	-	-	-	-	-	-	-
Cultural and recreation	25	14	9	13	13	14	11	11	12	16
Water/sewer (business activity)	16	18	18	15	14	13	13	13	12	13
Total	650	669	624	622	601	588	607	587	597	626

Note: This table represents the 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 table the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Final ADM	Percentage Difference in Final ADM	Operating Expenditures	Cost per Pupil	NC Per Pupil Total Expenditure Rank ⁽³⁾	Schools	Total Students Receiving Free or Reduced Meals ⁽²⁾	Transportation of Pupils - Public School Buses Number of Student Riders ⁽¹⁾	Transportation of Pupils - Public School Buses Number of Miles Transported ⁽¹⁾
2020	13,104	-1.69%	\$ 132,814,050	10,135	na	25	5,747	7,083	1,172,996
2019	13,329	-3.83%	139,479,787	10,464	na	25	8,158	8,455	1,756,186
2018	13,860	0.00%	128,118,756	9,376	na	25	8,322	7,210	1,681,106
2017	13,860	-1.03%	122,196,359	8,816	na	25	7,741	8,457	2,521,153
2016	14,004	1.06%	120,651,837	8,616	na	25	7,775	8,455	1,756,186
2015	13,857	-1.94%	122,116,452	8,813	na	25	7,796	8,607	1,797,032
2014	14,131	-3.09%	118,053,388	8,354	na	25	8,284	8,107	1,576,964
2013	14,581	-1.10%	123,413,063	8,188	na	25	8,111	7,675	1,585,100
2012	14,743	-0.05%	116,069,870	7,873	na	25	8,515	7,971	1,581,810
2011	14,751	1.42%	118,816,781	8,055	na	25	8,081	7,949	1,577,317

Source:

- 1 FY 2011 - 2020 Craven County Board of Education Transportation Department
FY 2011 - 2020 NCDPI Statistical Profile
- 2 Craven County Board of Education Child Nutrition Department
- 3 FY 2011-2020 NCDPI Statistical Profile - Child Nutrition Excluded

Board of Education of Craven County Schools
Operating Indicators by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	9,774	10,212	9,483	9,823	9,453	9,457	8,587	9,294	9,216	9,629
Average daily population in jail (B)	304	306	287	275	276	261	277	259	302	236
<u>Health Services (C)</u>										
Food and lodging inspections	788	1,471	1,190	1,374	1,299	1,312	1,322	1,354	1,364	1,280
Visits to health department	26,900	28,151	27,262	29,298	30,014	30,576	28,774	27,268	27,085	26,372
<u>Transportation Services (D)</u>										
Number of miles driven (1)	527,137	588,401	594,277	599,621	673,929	708,841	772,009	794,110	857,716	810,130
Number of trips provided (1)	55,027	63,144	64,167	69,359	74,346	86,927	91,554	105,965	108,026	106,118
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	4,859	4,815	4,484	4,567	4,136	3,970	3,953	3,449	2,728	2,770
Number of real estate parcels	58,385	57,952	57,571	57,438	57,354	57,097	56,898	56,774	56,505	56,358
Number of tax bills generated	68,488	67,813	67,425	67,398	67,034	65,112	114,148	150,381	149,366	148,943
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2) (F)	155	149	142	137	131	127	121	119	116	108
Economic impact of convention center (2) (G)	1	2	9	9	9	9	9	9	10	10
Number of registered voters (H)	72,995	67,487	68,827	66,615	69,459	66,478	69,455	68,770	68,318	67,073
Number of enplanements at airport (I)	87,335	112,889	116,647	111,962	111,909	114,373	128,157	129,529	134,631	132,035
Number of service connections (J)	14,119	13,949	14,678	14,064	13,693	13,495	13,459	13,378	13,199	13,027

* Information not available.

Notes:

- (1) These amounts shown are for calendar year ending December 31 during the fiscal year.
(2) Amounts shown are millions of dollars
(3) Amounts shown are by calendar year, therefore the amount shown for the lastest year is only six months.
(4) Fiscal 2015 decrease due to DMV billing for motor vehicle property tax at time of registration renewal

Source of data: Craven County Finance Department

- | | | |
|--------------------------------------|--|--|
| (A) Craven County Emergency Services | (D) CARTS (Craven County Transportation) | (G) Craven County Convention Center |
| (B) Craven County Sheriff Department | (E) Craven County Tax Department | (H) Craven County Elections Department |
| (C) Craven County Health Department | (F) NC Department of Commerce | (I) Coastal Carolina Regional Airport |
| | | (J) Craven County Water Department |

Board of Education of Craven County Schools
Capital Asset Information
June 30, 2020

Total Elementary Schools	Capacity	8,562
	Square Feet	1,079,288
	# of Portables	54
Total Middle Schools	Capacity	3,926
	Square Feet	605,929
	# of Portables	7
Total High Schools	Capacity	4,295
	Square Feet	594,282
	# of Portables	19
Total All Schools	Capacity	16,783
	Square Feet	2,279,499
	# of Portables	80
	20th Day Membership	14,293
Administration Bldg		22,900
Old Bridgeton Elem		41,006
Old Bridgeton Auditorium		5,500
Maintenance-Main Bldg/Garage/Yards&Grounds Bldg		30,925
Bus Garage		19,251
Food Service		11,098
FR Danyus		35,379
Duffy Field		19,400
Other Properties ⁽¹⁾	Buildings	8
	Square Feet	185,459
Transportation	Public School Buses	155
	Other Vehicles	108

Notes:

1. Includes space currently leased to Head Start and a school no longer in use.

Board of Education of Craven County Schools
Capital Asset Statistics by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<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	0	0	0	0	0	2	2	2	2	2
<u>Water Service (C)</u>										
Miles of water main	655	650	668	668	668	668	668	668	668	668
Number of elevated water tanks (1)	9	9	9	9	9	9	9	9	9	9
Number of system wells	18	18	10	10	10	10	10	10	10	10
Water Treatment Plant	1	1	1	0	0	0	0	0	0	0
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	29	32	32	32	32	32	32	32	32	32
<u>Economic and Physical Development</u>										
Convention center	1	1	1	1	1	1	1	1	1	1
Number of remaining acres in Industrial Park (E)	142	142	161	161	161	183	213	213	219	219
<u>Airport (F)</u>										
Number of runways	2	2	2	2	2	2	2	2	2	2

* Information not available.

Notes:

(1) Boat ramps were deeded to NC Wildlife Resources Commission in fiscal year 2016.

Source of data: Craven County Finance Department

(A) Craven County Sheriff Department (D) CARTS (Craven County Transportation)

(B) Craven County Recreation Department (E) Craven County Finance Department

(C) Craven County Water Department (F) Craven County Regional Airport



Compliance Section

Independent Auditors' 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

Board of Education
Craven County Schools
New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Craven County Schools, North Carolina ("Board") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated January 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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 financial statements. 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
January 11, 2021**

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Board of Education
Craven County Schools
New Bern, North Carolina

Report on Compliance for Each Major Program

We have audited the Board of Education of Craven County Schools, North Carolina ("Board"), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2020. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Board 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances 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 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 Board's internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
January 11, 2021**

Independent Auditors' Report on Compliance For Each Major State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act

Board of Education
Craven County Schools
New Bern, North Carolina

Report on Compliance for Each Major State Program

We have audited the Board of Education of Craven County Schools, North Carolina ("Board"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major state programs for the year ended June 30, 2020. The Board's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Board'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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board'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 on the Board's compliance.

Opinion on Each Major State Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Board 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
January 11, 2021**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies 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 weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _____ yes x no

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

84.010	Title I Grants to Local Education Agencies
84.041	Impact Aid (School Assistance in Federally Affected Areas)
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? x yes _____ no

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes x none reported

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

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

Identification of major state programs:

_____ Program Name

State Public School Fund
Career and Technical Education – State Months of Employment
State COVID-19 Supplemental Funds

2. Financial Statement Findings

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

3. Federal Award Findings and Questioned Costs

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

4. State Award Findings and Questioned Costs

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

Finding 2019-001

Status: Corrected

Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020

Schedule 11
Page 1 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed-through the N.C. Department of Public Instruction			
National School Lunch Program	10.555	PRC 035	\$ 542,137
Cash Assistance			
Passed-through the N.C. Department of Public Instruction			
School Breakfast Program	10.553	PRC 035	1,452,583
National School Lunch Program	10.555	PRC 035	2,738,743
Summer Food Service Program for Children	10.559	PRC 050	3,532,877
Total Cash Assistance			7,724,203
Total Child Nutrition Cluster			8,266,340
Fresh Fruit and Vegetable Program	10.582	PRC 035	118,436
Total School Nutrition Program (Note 3)			8,384,776
Total U.S. Department of Agriculture			8,384,776
<u>U.S. Department of Education</u>			
Cash Assistance			
Direct Programs			
Impact Aid (School Assistance in Federally Affected Areas)	84.041		1,363,593
Passed-through the N.C. Department of Public Instruction			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	4,221,011
Title 1 - School Improvement Cluster 1003(a)			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA) - School Improvements	84.010	PRC 115	151,544
Total Title I Grants to Local Education Agencies (Title I)			4,372,555
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	PRC 060	3,239,820
Special Needs Targeted Assistance	84.027	PRC 118	8,190
Special Education - Preschool Grants (IDEA Preschool) -			
Risk Pool Program	84.173	PRC 114	175,733
Preschool Targeted Assistance	84.173	PRC 119	26,668
Preschool Handicapped	84.173	PRC 049	115,165
Total Special Education Cluster			3,565,576
Career and Technical Education - Capacity Building Grant	84.048	PRC 017	263,591
English Language Acquisition Grant	84.365	PRC 104	56,908
Supporting Effective Instruction State Grants	84.367	PRC 103	528,400
Student Support and Academic Enrichment Program	84.424	PRC 108	275,427
State Personnel Development	84.323	PRC 082	3,566
Total U.S. Department of Education			10,429,616
<u>U.S. Department of Defense</u>			
Direct Programs:			
Promoting K-12 Student Achievement at Military-Connected Schools	12.556		645,714
Assistance to LEA's (PL 102-484)	NONE	PRC 345	494,568
ROTC	NONE	PRC 301	257,134
Total U.S. Department of Defense			1,397,416

Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020

Schedule 11
Page 2 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through the N.C. Department of Health and Human Services			
Office of Refugee Resettlement			
Passed through East Carolina Interfaith Refugee Ministry:			
Refugee School Impact Grant	93.576	PRC 375	<u>36,336</u>
<u>U. S. Department of Homeland Security</u>			
Passed-through N.C. Dept. of Public Safety:			
Division of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>438,955</u>
<u>U.S. Department of Treasury</u>			
Cash Assistance			
Passed-through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
Passed-through the N.C. Department of Public Instruction:			
Coronavirus Relief Fund			
School Nutrition	21.019	PRC 125	<u>508,443</u>
Total Federal Assistance			<u>21,195,542</u>
State Grants:			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund			\$ 78,549,420
Driver Training - SPSF		PRC 012	212,289
School Technology Fund - SPSF		PRC 015	169,629
Career and Technical Education			
- State Months of Employment		PRC 013	4,022,527
- Program Support Funds		PRC 014	356,660
Textbooks and Digital Resources		PRC 131	341,753
State COVID-19 Supplemental Funds		PRC 154	<u>506,003</u>
Total N.C. Department of Public Instruction			<u>84,158,281</u>
<u>N.C. Department of Agriculture</u>			
State Kindergarten Breakfast Funds			<u>12,340</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
NC Pre-Kindergarten Program			1,454,276
Smart Start			<u>230,263</u>
Total N.C. Department of Health and Human Services			<u>1,684,539</u>
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
School Buses Appropriation		PRC 120	<u>789,335</u>
Total State Assistance			<u>86,644,495</u>
Total Federal and State Assistance			<u>\$ 107,840,037</u>

**Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2020**

**Schedule 11
Page 3 of 3**

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Board of Education of Craven County Schools (Board) under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Board.

Note 2: Summary of Significant Account 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. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes: School Nutrition Program

Note 4: Non-cash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$1,331,472 were received during the year ended June 30, 2020. These non-cash items received were included in the determination of federal and State awards expended for the year ended June 30, 2020.