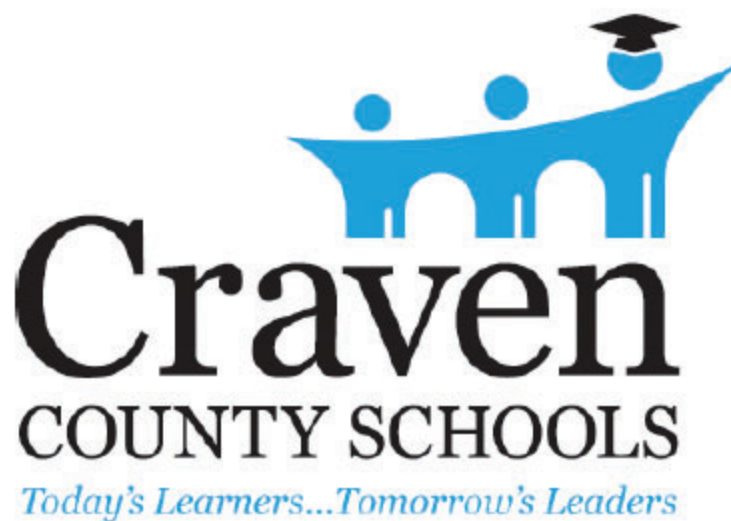


Craven County Board of Education
(New Bern, North Carolina)

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

**For the Fiscal Year Ended
JUNE 30, 2019**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Craven County Board of Education
New Bern, North Carolina

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

PREPARED BY
Finance Department
Denise Altman, Finance Officer

CRAVEN COUNTY BOARD OF EDUCATION

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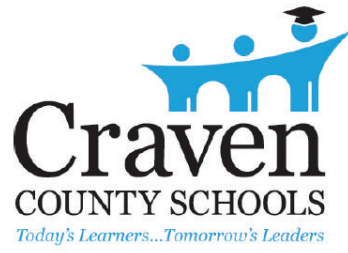
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CRAVEN COUNTY BOARD OF EDUCATION

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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

November 15, 2019

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 a Craven Evening Education Center 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 are currently in the process of preparing a long range facilities plan that will 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 2019 came in at 103,580. The county tax rate remained stable at \$0.5394 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 pitcherplants 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 2019, our system received \$62,488.

The latest study reveals North Carolina as home to the 3rd largest military population in the US. This includes approximately 59,000 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 \$1.5 million from the Department of Education for Impact Aid directly related to Cherry Point in fiscal year 2019. International Paper Company, formerly Weyerhaeuser Company, continues to be the largest taxpayer in Craven County. Its 2018 assessed valuation was \$190.4 million. It is 2% of the total assessed valuation. BSH Home Appliances Corp. is second with an assessed valuation of \$144 million and rose to 1.52% 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 5,164 civilian employees; Carolina East Health Systems is second with 2,342 employees and third is Craven County Schools with 1,714. The annual average unemployment rate for Craven County is 4.19%, which dropped from the 4.73% for the previous year.

Columbia Development Group LLC, a South Carolina based company, has completed a new shopping center on approximately 30 acres off of Martin Luther King Blvd near Glenburnie Road named New Bern Marketplace. The large multi-tenant building backs up to Trent Road and involves a 100,000 square foot Harris Teeter with a fuel station along with a pharmacy drive-thru window. Harris Teeter opened its doors on December 5, 2018. Retail stores that have opened over the past year include an Academy Sports + Outdoors, a sporting goods store, as well as a 55,000 square foot Hobby Lobby, a craft and art supplies seller. Other active tenants of this center include Ross, Ulta, West Marine, and a teen centered retailer named Five and Below. McGuckin & Pyle manufacturer has released information that they will be opening a new manufacturing plant in Craven County with an investment of \$2.25 million that will yield 33 new job opportunities. This will be a manufacturer of custom lamination and processing equipment. This privately owned corporation will be bringing its services to Craven County Industrial Park and will afford salaries for the new jobs at an average of \$44,304. McGuckin & Pyle is expected to receive a performance based grant of \$70,000 from the One North Carolina Fund to help launch the opening. They are firmly committed to assist Craven County as they help to play a part in recovery efforts for residents to bounce back post Hurricane Florence.

Craven County was hit hard with the devastating effects of Hurricane Florence in September 2018. Within the borders of Craven County, there were approximately 301 commercial buildings damaged or destroyed at an estimated cost of \$30,100,000. The residential impact involved roughly 4,658 buildings damaged or destroyed at a cost of \$165,946,600. These were all a result of wind, rain, and storm surge. In summary, our county incurred an approximate \$195 million in structural damage after the destruction of Hurricane Florence. Many of the county business and administrative buildings were impacted and included the New Bern Riverfront Convention Center which sustained a tremendous level of damage. The loss of the usage of the Convention Center for a year will definitely impact incoming revenue for the County. Recovery efforts are visible and felt throughout our community with abounding positivity. The citizens are committed to coming back stronger than ever.

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 estimated lottery distribution for FY 2019 is projected to be \$977,382 for Craven County Schools. It is estimated that thirty percent of lottery revenue gets funneled to the education system. With the passing of the State budget for FY 2019, licensed teachers include a Bachelor schedule starting at an annual salary of \$35,000 and capping at \$52,000. The increase with the step for Bachelor level teachers who present with less than 25 years of experience will range from 0% to 14.8% increase in pay. The schedule for principal salaries includes a 6.9 % increase effective July 1, 2018 with a range from \$66,010 to \$95,054. 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 will be granted a 2% increase in salary but are not included in the state provision for 5 days of annual leave nor in the required minimum pay of \$31,200. It is important to note that there was yet again a decrease in the final average daily membership this past year from 13,665 to 13,329.

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 is currently underway 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.

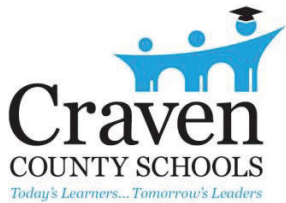
Respectfully submitted,



Dr. Meghan S. Doyle
Superintendent



Denise P. Altman
Finance Officer



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*

Dear Craven County Schools Families, Partners, and Community Members:

The 2018-2019 school year was a challenge for our community and for our school system. We began the school year with a renewed commitment to our community through our new vision for public education which had been created in partnership with you. As a reminder, during the last half of the 2017-2018 school year, the Craven County Board of Education convened a group of over 60 community representatives from parents to business leaders, elected officials to students, to decide what our community's collective vision would be for public education. After six months of work together and seeking feedback from at least ten additional community members each, they created the Vision for Public Education in Craven County Schools. This vision is the product of conversations with over 600 citizens of Craven County. Our community's vision for public education is:

*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.*

This vision continues to serve as our guiding light to an even better school system for your children to ensure that they are ready to contribute to our community and build successful lives. And, during the 2018-2019 school year our school community demonstrated that vision in our partnership with the County and community service agencies to recover from Hurricane Florence. This storm was one of catastrophic proportions. Our educators, students, and staff rallied to support one another in rebuilding our community even stronger for the future. This storm, however, continues to inform our work and has made us even more steadfast in our pursuit of this vision for public education. It has also created a significant burden on our departments to include facilities, finance, human resources and each of our schools as we try to document our expenses for FEMA, restore our facilities, support our educators as they recover and finally provide an education to children and families who have lost property and in over 1000 cases, all or some part of their homes.

Craven County Schools' 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* directs our day to day work and gives us the mechanism for decision making to achieve our vision. Our mission and vision guide the work of our school system as we help our students and their families imagine and create successful lives through their participation, engagement, and learning in our schools. This document of our financial statement is a reflection of the work and the resources needed to achieve the goals we have for our school

system. We want to work diligently to build the public's trust in what we are doing and the way in which we conduct our work. Our community wants our students to be the highest possible achievers in their personal, professional and civic lives, and they also want our system to be good stewards of the community's resources. It is our goal that our financial statements reflect that stewardship and increasingly align the work of our system towards the goals of our community for our learners and educators.

Sincerely,



Dr. Meghan S. Doyle, SPHR
Superintendent

Craven County Board of Education

List of Principal Officials

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

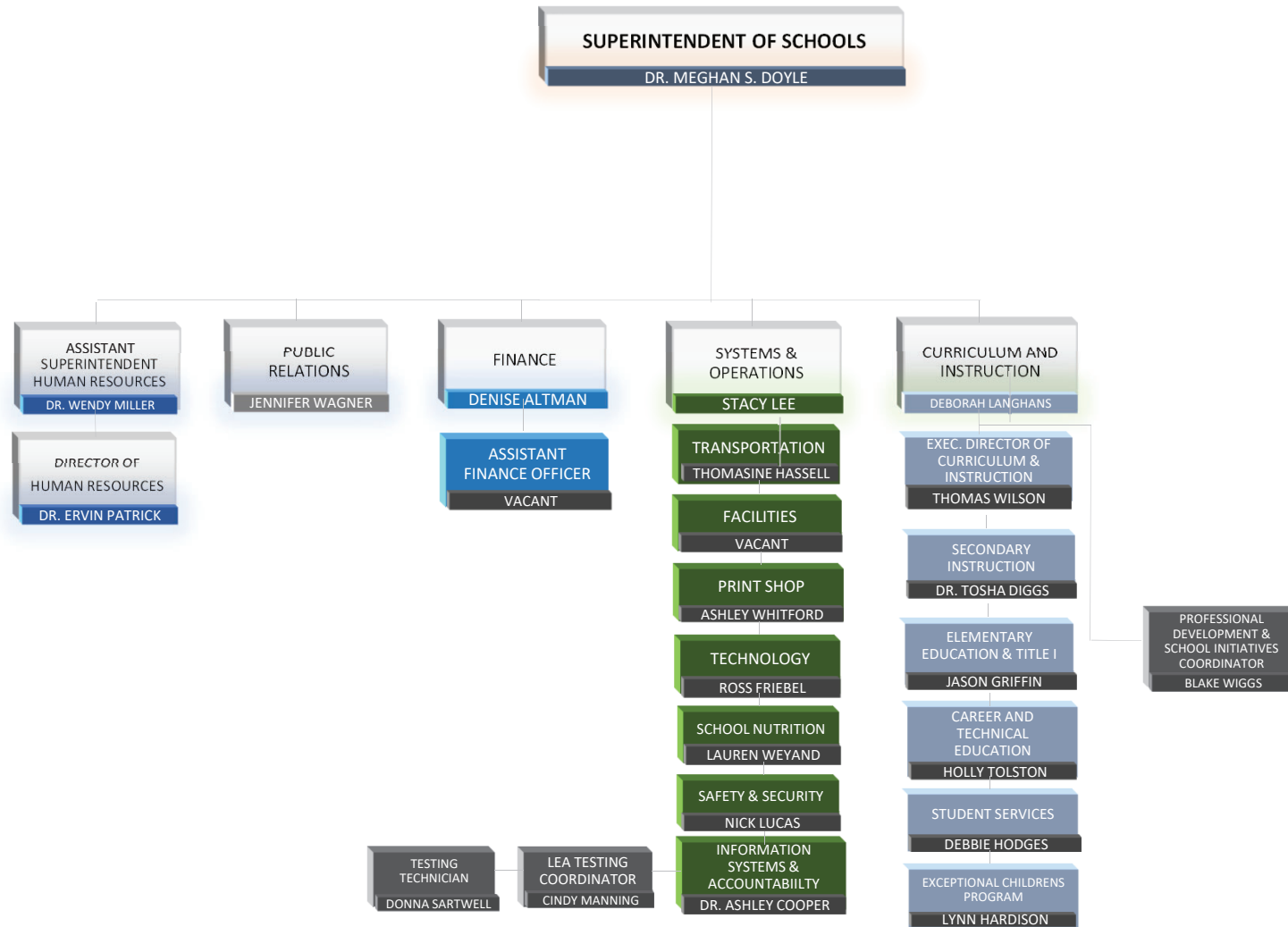
SUPERINTENDENT

Dr. Meghan S. Doyle

ASSISTANT SUPERINTENDENTS/CHIEF OFFICERS

Mr. Stacy Lee
Dr. Wendy A. Miller
Mrs. Deborah Langhans

2019 – 2020 CRAVEN COUNTY SCHOOLS ORGANIZATIONAL CHART





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, 2018.

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



Tom Wohlleber, CSRM
President

David J. Lewis
Executive Director



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Denise Altman

Finance Officer

Craven County Board of Education, North Carolina

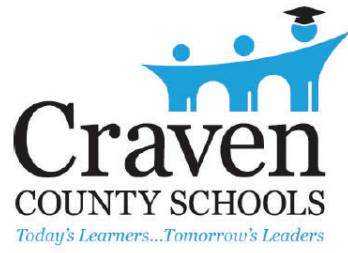


The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date September 26, 2019



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, 2019, 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, 2019, 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 10 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 49 through 54, 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 November 15, 2019 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
November 15, 2019

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, 2019. 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 13,665 to 13,329. 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 \$6,706,805 in the General Fund, a decrease of \$840,914 in comparison with the prior year. Included in this total is \$219,463, the value of inventories which represents amounts that are non-spendable at year end. Also included in this total is \$477,157 restricted for Stabilization of State Statute and \$546,075 assigned for subsequent year's expenditures. The remaining balance of \$5,464,110 is unassigned which is available for spending at the government's discretion.
- The ending fund balance of the Capital Outlay Fund was \$466,495, an increase of \$31,786 from the June 30, 2018 balance of \$434,709. Capital Outlay projects completed during the year included HVAC replacements, temporary classrooms at JT Barber Elementary school, New Bern High School gym floor replacement, various lighting and ceiling work and vehicle purchases for maintenance.
- 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 increased this year as compared to previous years.
- The Major Funds include fund balances of \$1,007,886 for the Individual Schools Fund and \$3,319,475 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 and appropriated fund balances (revenues accruing to a school administrative unit in prior years but not yet expended).

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
- Supplemental section that presents 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

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

date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of 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 position or 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 \$119.5 million as of June 30, 2019. The largest component of the net deficit is the Board's net investment in capital assets of \$76.6 million. Restricted and unrestricted net position (deficit) amounted to \$2.4 million and (\$198.4) 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 \$204.5 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 16,974,409	\$ 17,573,218	\$ 3,482,511	\$ 3,387,984	\$ 20,456,920	\$ 20,961,202
Capital assets	76,693,742	79,811,931	1,315,053	1,464,509	78,008,795	81,276,440
Total assets	93,668,151	97,385,149	4,797,564	4,852,493	98,465,715	102,237,642
Deferred outflows of resources	31,070,701	23,478,085	708,720	545,027	31,779,421	24,023,112
Current liabilities	10,335,580	10,593,849	327,870	236,830	10,663,450	10,830,679
Long-term liabilities	166,161,141	179,378,551	3,843,210	4,163,898	170,004,351	183,542,449
Total liabilities	176,496,721	189,972,400	4,171,080	4,400,728	180,667,801	194,373,128
Deferred inflows of resources	67,496,544	52,732,469	1,542,457	1,224,149	69,039,001	53,956,618
Invested in capital assets, net of related debt	75,240,225	78,096,960	1,315,053	1,464,509	76,555,278	79,561,469
Restricted net position	2,372,643	2,463,948	3,131	11,237	2,375,774	2,475,185
Unrestricted net deficit	(196,867,281)	(202,402,543)	(1,525,437)	(1,703,103)	(198,392,718)	(204,105,646)
Total net deficit	\$ (119,254,413)	\$ (121,841,635)	\$ (207,253)	\$ (227,357)	\$ (119,461,666)	\$ (122,068,992)

The net deficit of the Board's governmental activities decreased from \$121.8 million at June 30, 2018 to \$119.3 million at June 30, 2019, a decrease of \$2.6 million. The Board's net investment in capital assets decreased by \$2.9 million during the year due primarily to depreciation expense in excess of capital outlay expenditures. Restricted net position decreased by \$91 thousand primarily due to decreases in the restricted amounts for the DIPNC OPEB plan. Unrestricted net deficit decreased by \$5.5 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 school capital outlay, 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 deficit of business-type activities decreased \$20 thousand from \$227 thousand at June 30, 2018 to \$207 thousand at June 30, 2019. This decrease is primarily related to a \$440 thousand decrease in salaries and benefits expense in the current year.

**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, 2019 & 2018**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,981,764	\$ 3,485,295	\$ 855,347	\$ 1,342,329	\$ 3,837,111	\$ 4,827,624
Operating grants and contributions	96,685,887	91,895,932	5,704,246	4,900,670	102,390,133	96,796,602
Capital grants and contributions	1,002,609	1,101,722	-	-	1,002,609	1,101,722
General revenues:						
Unrestricted state and federal appropriations	8,618,669	2,244,811	-	-	8,618,669	2,244,811
Unrestricted county appropriations	22,940,248	22,888,525	-	-	22,940,248	22,888,525
Other revenues	1,276,662	1,288,948	113,607	53,763	1,390,269	1,342,711
Total revenues	133,505,839	122,905,233	6,673,200	6,296,762	140,179,039	129,201,995
Expenses:						
Governmental activities:						
Instructional services	96,322,859	100,957,478	-	-	96,322,859	100,957,478
System-wide support services	30,108,645	24,488,205	-	-	30,108,645	24,488,205
Ancillary services	726,799	240,360	-	-	726,799	240,360
Non-programmed charges	440,666	597,677	-	-	440,666	597,677
Unallocated depreciation expense	3,319,648	3,540,884	-	-	3,319,648	3,540,884
Business-type activities:						
School food service	-	-	6,653,096	7,094,143	6,653,096	7,094,143
Total expenses	130,918,617	129,824,604	6,653,096	7,094,143	137,571,713	136,918,747
Transfers in (out)	-	(56,224)	-	56,224	-	-
(Increase) decrease in net deficit	2,587,222	(6,975,595)	20,104	(741,157)	2,607,326	(7,716,752)
Net deficit, beginning	(121,841,635)	(114,866,040)	(227,357)	513,800	(122,068,992)	(114,352,240)
Net deficit, ending	<u>\$ (119,254,413)</u>	<u>\$ (121,841,635)</u>	<u>\$ (207,253)</u>	<u>\$ (227,357)</u>	<u>\$ (119,461,666)</u>	<u>\$ (122,068,992)</u>

During the year ended June 30, 2019, governmental activities generated revenues of \$133.5 million and incurred expenses of \$130.9 million, resulting in the aforementioned decrease in net deficit for these activities of \$2.6 million. Overall, revenues were up by \$10.6 million when compared to the prior year, while expenses decreased \$1.1 million. The increase in revenues is primarily the result of an increases in unrestricted state and federal appropriations of \$6.4 and operating grants and contributions of \$4.8 million. Primary sources of revenue were funding from the State of North Carolina, Craven County, and the United States government, which respectively comprised 70.1%, 17.1%, and 8.7% of our revenues. In the prior year, funding from these sources comprised 68.4%, 18.5%, and 7.9% of our revenues. As would be expected, the major component of the Board's expenses were instructional services, which accounted for 75.2% of our total during the most recent fiscal year. Of the remaining expenses, 21.1% was attributable to system-wide support services.

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

Business-type activities generated revenue of \$6.67 million and incurred expenses of \$6.65 million, resulting in a decrease in net deficit of \$20 thousand as compared to an increase of \$741 thousand in the prior year. The decrease in the change in net deficit compared to the prior year is primarily related to a \$440 thousand decrease in salaries and benefits expense in the current year.

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 \$11.5 million at June 30, 2019, a \$848 thousand decrease compared to the prior year. Overall, total revenues decreased by \$10.7 million, or 8.7%, compared to the prior year while total expenditures increased by \$11.6 million, or 9.4%. The increases in both revenues and expenditures can be primarily attributable to the \$6.1 million in state funding received in the General Fund for repairs for damage caused by Hurricane Florence with a \$3.4 million increase in revenues from the State of North Carolina in the State Public School Fund.

For the fiscal year ended June 30, 2019, the Board's General Fund and Other Local Current Expense Fund experienced a decrease in fund balance of \$841 thousand and \$87 thousand, respectively, compared to changes in fund balances of \$(102) thousand and \$758 thousand for the prior year ended, respectively. Specifically related to the General Fund, County revenues during this same period increased by \$280 thousand to \$21.2 million. The decrease in General Fund fund balance is primarily related to a \$1.7 million increase in regular instructional expenditures. The Other Local Current Expense Fund recognized decreases in total revenues of \$1 million from the year ended June 30, 2019 compared to the year ended June 30, 2018. During the same period, the Board experienced a decrease in expenditures of \$146 thousand.

The Board's State Public School Fund and Federal Grants Fund recognized increases in revenues of \$3.4 million or 4.2% and \$1.1 million or 13.6%, respectively. The increases in the State Public School Fund and Federal Grants Fund are attributable to slight increases in the student population as well as increasing costs of education.

The Board's Individual Schools Fund and Capital Outlay Fund had an increase in fund balance of \$48 thousand and \$32 thousand, respectively. In comparison to the prior year, the Individual Schools Fund's had an increase of \$3 thousand. The increase in the net change for the Individual Schools Fund is primarily related to a decrease in expenditures of \$171 thousand. Revenues in the Capital Outlay Fund decreased by \$242 thousand, or 8%. This decrease is related to decreases in county capital outlay appropriations of \$229 thousand. Capital Outlay Fund expenditures also decreased by \$952 thousand in the current year.

Proprietary Funds: The Board's business-type fund, the School Food Service Fund, generated a decrease in net deficit of \$20 thousand during the year ended June 30, 2019 compared to an increase in net deficit of \$741 thousand during the prior year, a change of \$721 thousand. As previously mentioned, the change is related to decreases in salaries and benefits expense as well as decreases in food sales. The School Food Service Fund has net cash resources in excess of three months operating expenditures and has received approval by the North Carolina Department of Public Instruction to carry a cash reserve for the purchase of major food production, storage, delivery and service equipment.

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 \$3,171,153 of appropriated fund balance, of which \$891,478 was used during the fiscal year-ended June 30, 2019. Amendments were made necessary by all three categories. Amendments were in all fund operations of the Board of Education.

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

Capital Assets

During the fiscal year ended June 30, 2019, capital assets, net of accumulated depreciation, decreased by \$3.1 million for governmental activities and decreased by \$149 thousand for business-type activities, compared to the prior year. During the year, the Board acquired \$1.2 million in equipment and vehicles. Total depreciation charges for the year ended June 30, 2019 was \$4.2 million for governmental activities. Total depreciation charges for the year ended June 30, 2019 was \$266 thousand for business-type activities. For more detailed information, please see Capital Assets in Note 3-A-4 in the accompanying notes to the financial statements.

Table 3
Summary of Capital Assets
as of June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,074,671	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671	\$ 3,074,671
Buildings and improvements	68,298,485	71,480,755	-	-	68,298,485	71,480,755
Equipment and furniture	687,453	812,331	1,293,914	1,439,888	1,981,367	2,252,219
Vehicles	4,633,133	4,444,174	21,139	24,621	4,654,272	4,468,795
Total	<u>\$ 76,693,742</u>	<u>\$ 79,811,931</u>	<u>\$ 1,315,053</u>	<u>\$ 1,464,509</u>	<u>\$ 78,008,795</u>	<u>\$ 81,276,440</u>

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, 2019, the Board issued installment purchase obligations in the amount of \$741 thousand for new school buses. For more detailed information, please see Long-Term Obligations in Note 3-B-7 in the accompanying notes to the financial statements.

Economic Factors

Craven County Schools experienced a decrease in average daily membership of students from 13,665 students at 2018 year end to 13,329 at 2019 year end. For every fluctuation of 100 students, our state allotments are adjusted for these. 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. Many positions have not been filled when vacancies arise as a means to reduce spending.

Craven County had a decrease in the annual unemployment rate from 4.73% for calendar year 2018 to 4.19% for 2019 and the per capita personal income increased from \$41,962 in 2017 to \$42,367 in 2018. These numbers indicate some improvement in our local economy. Building inspections increased from 8,942 in FY 2018 to 15,602 in FY 2019.

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, 2019

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,465,945	\$ 2,967,928	\$ 14,433,873
Due from other governments	4,726,561	274,720	5,001,281
Receivables	10,058	3,551	13,609
Net OPEB asset	125,785	3,131	128,916
Internal balances	81,497	(81,497)	-
Inventories	564,563	314,678	879,241
Capital assets:			
Land	3,074,671	-	3,074,671
Other capital assets, net of depreciation	73,619,071	1,315,053	74,934,124
Total capital assets	<u>76,693,742</u>	<u>1,315,053</u>	<u>78,008,795</u>
 Total assets	<u>93,668,151</u>	<u>4,797,564</u>	<u>98,465,715</u>
 DEFERRED OUTFLOWS OF RESOURCES	<u>31,070,701</u>	<u>708,720</u>	<u>31,779,421</u>
 LIABILITIES			
Accounts payable and accrued expenses	383,623	-	383,623
Accrued salaries and wages payable	4,449,860	111,698	4,561,558
Unearned revenue	514,480	102,462	616,942
Long-term liabilities:			
Due within one year	4,987,617	113,710	5,101,327
Due in more than one year	<u>166,161,141</u>	<u>3,843,210</u>	<u>170,004,351</u>
 Total liabilities	<u>176,496,721</u>	<u>4,171,080</u>	<u>180,667,801</u>
 DEFERRED INFLOWS OF RESOURCES	<u>67,496,544</u>	<u>1,542,457</u>	<u>69,039,001</u>
 NET POSITION (DEFICIT)			
Net investment in capital assets	75,240,225	1,315,053	76,555,278
Restricted for:			
Stabilization by State Statute	1,238,972	-	1,238,972
Individual Schools	1,007,886	-	1,007,886
DIPNC OPEB plan	125,785	3,131	128,916
Unrestricted	<u>(196,867,281)</u>	<u>(1,525,437)</u>	<u>(198,392,718)</u>
 Total net deficit	<u>\$ (119,254,413)</u>	<u>\$ (207,253)</u>	<u>\$ (119,461,666)</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, 2019

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 57,734,360	\$ -	\$ 53,014,420	\$ -	\$ (4,719,940)	\$ -	\$ (4,719,940)
Special populations	12,890,133	-	13,163,868	-	273,735	-	273,735
Alternative programs	6,758,207	-	5,544,129	-	(1,214,078)	-	(1,214,078)
School leadership	7,297,906	-	4,396,248	-	(2,901,658)	-	(2,901,658)
Co-curricular	639,780	2,937,012	-	-	2,297,232	-	2,297,232
School-based support	11,002,473	-	7,475,293	-	(3,527,180)	-	(3,527,180)
System-wide support services:							
Support and development	1,391,580	-	466,333	-	(925,247)	-	(925,247)
Special population support and development	618,505	-	532,819	-	(85,686)	-	(85,686)
Alternative programs and services support and development	563,509	-	240,830	-	(322,679)	-	(322,679)
Technology support	931,602	-	184,905	-	(746,697)	-	(746,697)
Operational support	23,404,016	44,752	9,634,978	1,002,609	(12,721,677)	-	(12,721,677)
Financial and human resource	1,534,860	-	393,155	-	(1,141,705)	-	(1,141,705)
Accountability	123,161	-	128,280	-	5,119	-	5,119
System-wide pupil support	39,004	-	-	-	(39,004)	-	(39,004)
Policy, leadership, and public relations	1,502,408	-	741,055	-	(761,353)	-	(761,353)
Ancillary services	726,799	-	518,464	-	(208,335)	-	(208,335)
Non-programmed charges	440,666	-	251,110	-	(189,556)	-	(189,556)
Unallocated depreciation expense, excluding direct depreciation expense charged to programs	3,319,648	-	-	-	(3,319,648)	-	(3,319,648)
Total governmental activities	130,918,617	2,981,764	96,685,887	1,002,609	(30,248,357)	-	(30,248,357)
Business-type activities:							
School food service	6,653,096	855,347	5,704,246	-	-	(93,503)	(93,503)
Total primary government	\$ 137,571,713	\$ 3,837,111	\$ 102,390,133	\$ 1,002,609	\$ (30,248,357)	\$ (93,503)	\$ (30,341,860)
General revenues:							
Unrestricted county appropriations - operating					21,211,289	-	21,211,289
Unrestricted county appropriations - capital					1,728,959	-	1,728,959
Unrestricted State and Federal appropriations - operating					2,485,251	-	2,485,251
Unrestricted State appropriations - capital					6,133,418	-	6,133,418
Investment earnings, unrestricted					114,658	41,362	156,020
Miscellaneous, unrestricted					1,162,004	72,245	1,234,249
Total general revenues and transfers					32,835,579	113,607	32,949,186
Change in net position (deficit)					2,587,222	20,104	2,607,326
Net deficit, beginning					(121,841,635)	(227,357)	(122,068,992)
Net deficit, ending					\$ (119,254,413)	\$ (207,253)	\$ (119,461,666)

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, 2019

Exhibit 3

	Major Funds						
	General	State Public School	Federal Grants Fund	Capital Outlay	Individual Schools	Other Local Current Expense	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 7,041,554	\$ -	\$ -	\$ 321,858	\$ 1,007,886	\$ 3,094,647	\$ 11,465,945
Accounts receivable	9,958	-	-	-	-	100	10,058
Due from other governments	147,151	3,848,475	272,427	167,484	-	291,024	4,726,561
Due from other funds	77,301	-	-	-	-	4,196	81,497
Inventories	219,463	345,100	-	-	-	-	564,563
Total assets	<u>\$ 7,495,427</u>	<u>\$ 4,193,575</u>	<u>\$ 272,427</u>	<u>\$ 489,342</u>	<u>\$ 1,007,886</u>	<u>\$ 3,389,967</u>	<u>\$ 16,848,624</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 368,996	\$ -	\$ -	\$ -	\$ -	\$ 14,627	\$ 383,623
Accrued salaries and wages payable	307,954	3,843,615	242,426	-	-	55,865	4,449,860
Unearned revenue	111,672	349,960	30,001	22,847	-	-	514,480
Total liabilities	<u>788,622</u>	<u>4,193,575</u>	<u>272,427</u>	<u>22,847</u>	<u>-</u>	<u>70,492</u>	<u>5,347,963</u>
Fund balances:							
Nonspendable:							
Inventories	219,463	-	-	-	-	-	219,463
Restricted:							
Stabilization by State Statute	477,157	-	-	466,495	-	295,320	1,238,972
Individual Schools	-	-	-	-	1,007,886	-	1,007,886
Assigned:							
Subsequent year's expenditures	546,075	-	-	-	-	-	546,075
Other special programs	-	-	-	-	-	3,024,155	3,024,155
Unassigned	5,464,110	-	-	-	-	-	5,464,110
Total fund balances	<u>6,706,805</u>	<u>-</u>	<u>-</u>	<u>466,495</u>	<u>1,007,886</u>	<u>3,319,475</u>	<u>11,500,661</u>
Total liabilities and fund balances	<u>\$ 7,495,427</u>	<u>\$ 4,193,575</u>	<u>\$ 272,427</u>	<u>\$ 489,342</u>	<u>\$ 1,007,886</u>	<u>\$ 3,389,967</u>	
Amounts reported for governmental activities in the Statement of Net Position (Deficit) (Exhibit 1) are different because:							
Net OPEB asset							125,785
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.							76,693,742
Deferred outflows of resources related to pensions							26,055,580
Deferred outflows of resources related to OPEB							5,015,121
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.							(7,588,802)
Net pension liability							(46,422,163)
Net OPEB liability							(117,137,793)
Deferred inflows of resources related to pensions							(1,440,873)
Deferred inflows of resources related to OPEB							(66,055,671)
Net deficit of governmental activities							\$ (119,254,413)

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, 2019

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	\$ 6,133,418	\$ 84,928,029	\$ -	\$ 1,002,609	\$ -	\$ 1,687,336	\$ 93,751,392
Craven County							
Local current expense	21,211,289	-	-	-	-	-	21,211,289
Other	-	-	-	1,728,959	-	-	1,728,959
U.S. Government	1,776,956	-	9,096,086	-	-	797,915	11,670,957
Other	1,701,150	-	-	60,707	2,937,012	717,116	5,415,985
Total revenues	30,822,813	84,928,029	9,096,086	2,792,275	2,937,012	3,202,367	133,778,582
Expenditures:							
Current:							
Instructional services:							
Regular instructional	7,445,642	52,462,594	551,826	-	-	813,372	61,273,434
Special populations	149,948	10,300,765	2,863,103	-	-	296,328	13,610,144
Alternative programs	29,321	1,543,613	4,000,516	-	-	1,433,606	7,007,056
School leadership	3,384,701	4,396,248	-	-	-	2,831	7,783,780
Co-curricular	656,597	-	-	-	-	20,220	676,817
School-based support	1,223,569	7,113,795	361,498	-	2,594,218	185,359	11,478,439
System-wide support services:							
Support and development	820,386	384,266	82,067	-	-	189,918	1,476,637
Special population support and development	126,406	90,167	442,652	-	-	-	659,225
Alternative programs and services support							
and development	250,184	63	240,767	-	-	108,180	599,194
Technology support	775,282	184,905	-	-	-	18,675	978,862
Operational support	14,313,988	6,676,553	296,653	-	-	289,232	21,576,426
Financial and human resources	1,193,339	387,261	5,894	-	-	-	1,586,494
Accountability	2,946	128,280	-	-	-	-	131,226
System-wide pupil support	41,803	-	-	-	-	-	41,803
Policy, leadership, and public relations	816,164	741,055	-	-	-	7,910	1,565,129
Ancillary services	21,841	518,464	-	-	-	217,885	758,190
Non-programmed charges	462,174	-	251,110	-	-	125	713,409
Debt service:							
Principal	-	-	-	1,002,609	-	-	1,002,609
Capital outlay:							
Furniture and equipment	-	-	-	1,429,170	-	-	1,429,170
Buses and motor vehicles	-	-	-	1,069,865	-	-	1,069,865
Total expenditures	31,714,291	84,928,029	9,096,086	3,501,644	2,594,218	3,583,641	135,417,909
Revenues over (under) expenditures	(891,478)	-	-	(709,369)	342,794	(381,274)	(1,639,327)
Other financing sources (uses):							
Transfers from (to) other funds	-	-	-	-	(294,373)	294,373	-
Installment purchase obligations issued	-	-	-	741,155	-	-	741,155
Net changes in fund balance	(891,478)	-	-	31,786	48,421	(86,901)	(898,172)
Fund balances:							
Beginning of year	7,547,719	-	-	434,709	959,465	3,406,376	12,348,269
Increase in reserve for inventories	50,564	-	-	-	-	-	50,564
End of year	\$ 6,706,805	\$ -	\$ -	\$ 466,495	\$ 1,007,886	\$ 3,319,475	\$ 11,500,661

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, 2019

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (898,172)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	50,564
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.	(3,118,189)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	8,936,591
Contributions to the OPEB plans in the current fiscal year are not included in the Statement of Activities	4,660,989
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Net OPEB benefit	3,089,233
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.	261,454
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	(272,709)
Pension expense	(10,122,539)
Total changes in net position (deficit) of governmental activities	<u>\$ 2,587,222</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, 2019

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	\$ 90,000	\$ 6,133,418	\$ 6,133,418	\$ -
Craven County	21,189,991	21,189,991	21,211,289	21,298
U.S. Government	1,432,500	1,282,500	1,776,956	494,456
Other	1,485,023	1,085,000	1,701,150	616,150
	<u>24,197,514</u>	<u>29,690,909</u>	<u>30,822,813</u>	<u>1,131,904</u>
Expenditures:				
Current:				
Instructional services	11,525,643	13,350,178	12,889,778	460,400
System-wide support services	12,206,871	19,027,839	18,340,498	687,341
Ancillary services	-	21,870	21,841	29
Non-programmed charges	465,000	462,175	462,174	1
	<u>24,197,514</u>	<u>32,862,062</u>	<u>31,714,291</u>	<u>1,147,771</u>
Total expenditures	<u>24,197,514</u>	<u>32,862,062</u>	<u>31,714,291</u>	<u>1,147,771</u>
Revenues over (under) expenditures	-	(3,171,153)	(891,478)	2,279,675
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>3,171,153</u>	<u>-</u>	<u>(3,171,153)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(891,478)	<u>\$ (891,478)</u>
Fund balances:				
Beginning of year			7,547,719	
Increase in reserve for inventories			<u>50,564</u>	
End of year			<u>\$ 6,706,805</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, 2019

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	\$ -	\$ 1,499,303	\$ 1,687,336	\$ 188,033
Craven County	-	-	-	-
U.S. Government	-	2,344,127	797,915	(1,546,212)
Other	-	447,995	717,116	269,121
	-	4,291,425	3,202,367	(1,089,058)
Expenditures:				
Current:				
Instructional services	-	4,223,096	2,751,716	1,471,380
System-wide support services	-	760,172	613,915	146,257
Ancillary services	-	176,784	217,885	(41,101)
Non-programmed charges	-	1,513,134	125	1,513,009
Total expenditures	-	6,673,186	3,583,641	3,089,545
Revenues over (under) expenditures	-	(2,381,761)	(381,274)	2,000,487
Other financing sources (uses):				
Transfers to other funds	-	233,466	294,373	60,907
Fund balance appropriated	-	2,148,295	-	(2,148,295)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(86,901)	<u>\$ (86,901)</u>
Fund balances:				
Beginning of year			3,406,376	
Increase in reserve for inventories			-	
End of year			<u>\$ 3,319,475</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, 2019

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	\$ 85,354,673	\$ 88,657,263	\$ 84,928,029	\$ (3,729,234)
Craven County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
	<u>85,354,673</u>	<u>88,657,263</u>	<u>84,928,029</u>	<u>(3,729,234)</u>
Expenditures:				
Current:				
Instructional services	76,684,930	78,590,766	75,817,015	2,773,751
System-wide support services	8,568,378	9,488,975	8,592,550	896,425
Ancillary services	101,365	577,522	518,464	59,058
Non-programmed charges	-	-	-	-
	<u>85,354,673</u>	<u>88,657,263</u>	<u>84,928,029</u>	<u>3,729,234</u>
Total expenditures				
	<u>85,354,673</u>	<u>88,657,263</u>	<u>84,928,029</u>	<u>3,729,234</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<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, 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, 2019

Exhibit 6
Page 4 of 4

	Federal Grants Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Craven County	-	-	-	-
U.S. Government	4,045,478	10,960,262	9,096,086	(1,864,176)
Other	-	-	-	-
	<u>4,045,478</u>	<u>10,960,262</u>	<u>9,096,086</u>	<u>(1,864,176)</u>
Expenditures:				
Current:				
Instructional services	3,285,806	9,390,953	7,776,943	1,614,010
System-wide support services	636,777	1,266,318	1,068,033	198,285
Ancillary services	-	-	-	-
Non-programmed charges	<u>122,895</u>	<u>302,991</u>	<u>251,110</u>	<u>51,881</u>
Total expenditures	<u>4,045,478</u>	<u>10,960,262</u>	<u>9,096,086</u>	<u>1,864,176</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, 2019

Exhibit 7

	Enterprise Major Fund School Food Service
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,967,928
Accounts receivable	3,551
Due from other governments	274,720
Due from other funds	7,655
OPEB asset	3,131
Inventories	314,678
Total current assets	<u>3,571,663</u>
Noncurrent assets:	
Capital assets:	
Furniture, equipment and vehicles, net	<u>1,315,053</u>
Total assets	<u>4,886,716</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>708,720</u>
LIABILITIES	
Current liabilities:	
Accrued salaries and wages payable	111,698
Due to other funds	89,152
Unearned revenue	102,462
Compensated absences	113,710
Total current liabilities	<u>417,022</u>
Noncurrent liabilities:	
Net pension liability	1,062,408
Net OPEB liability	2,757,464
Compensated absences	23,338
Total noncurrent liabilities	<u>3,843,210</u>
Total liabilities	<u>4,260,232</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,542,457</u>
NET POSITION (DEFICIT)	
Investment in capital assets	1,315,053
DIPNC OPEB plan	3,131
Unrestricted	<u>(1,525,437)</u>
Total net deficit	<u><u>\$ (207,253)</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, 2019

Exhibit 8

	<u>Enterprise Major Fund School Food Service</u>
Operating revenues:	
Food sales	\$ 855,347
Operating expenses:	
Food cost:	
Purchase of food	2,111,336
Donated commodities	465,409
Salaries and benefits	2,882,846
Indirect costs	411,534
Materials and supplies	291,014
Repairs and maintenance	34,208
Contracted services	25,418
Depreciation	266,369
Non-capitalized equipment	90,235
Other	<u>74,727</u>
Total operating expenses	<u>6,653,096</u>
Operating loss	<u>(5,797,749)</u>
Nonoperating revenues (expenses):	
Federal reimbursements	5,231,420
Federal commodities	465,409
State reimbursements	7,417
Interest earned	41,362
Loss on disposal of capital assets	(2,983)
Other local revenues	<u>75,228</u>
Total nonoperating revenues	<u>5,817,853</u>
Change in net deficit	20,104
Total net deficit, beginning	<u>(227,357)</u>
Total net deficit, ending	<u><u>\$ (207,253)</u></u>

Board of Education of Craven County Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

Exhibit 9

	<u>Enterprise Major Fund School Food Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 918,236
Cash paid for goods and services	(2,956,793)
Cash paid to employees for services	(3,015,194)
Net cash used by operating activities	<u>(5,053,751)</u>
Cash flows from noncapital financing activities:	
Net decrease in due from (to) other funds	48,520
Federal and state reimbursements	5,103,760
Other local donations and grants	75,228
Net cash provided by noncapital activities	<u>5,227,508</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(119,896)</u>
Cash flows from investing activities:	
Interest earned on investments	<u>41,362</u>
Net increase in cash and cash equivalents	95,223
Cash and cash equivalents, beginning of year	<u>2,872,705</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,967,928</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (5,797,749)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	266,369
Donated commodities	465,409
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:	
Increase in accounts receivable	(3,165)
Decrease in inventories	87,663
Decrease in net OPEB asset	2,755
Increase in deferred outflows of resources	(163,693)
Decrease in accounts payable and accrued liabilities	(2,819)
Increase in accrued salaries and wages payable	25,260
Increase in unearned revenue	62,889
Increase in net pension liability	198,720
Decrease in net OPEB liability	(497,613)
Increase in deferred inflows of resources	318,308
Decrease in compensated absences payable	(16,085)
Total adjustments	<u>743,998</u>
Net cash used by operating activities	<u><u>\$ (5,053,751)</u></u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$465,409 during the fiscal year. The receipt of these commodities and equipment is reflected as a nonoperating revenue on Exhibit 8.

Board of Education of Craven County Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

Exhibit 10

	Private Purpose Trust
ASSETS	
Cash	\$ 1,137,774
Notes receivable	34,971
Total assets	\$ 1,172,745
NET POSITION	
Assets held in trust for scholarships	\$ 1,172,745

Board of Education of Craven County Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2019

Exhibit 11

	Private Purpose Trust
Additions:	
Interest income	\$ 42,534
Recovery of bad debts	275
Total additions	<u>42,809</u>
Deductions:	
Scholarships	33,500
Management fees	25,000
Bank charges and other expenses	588
Total deductions	<u>59,088</u>
Change in net position	(16,279)
Net position, beginning	<u>1,189,024</u>
Net position, ending	<u><u>\$ 1,172,745</u></u>

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Board of Education of Craven County Schools 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 of Education of Craven County Schools ("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, 2019

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 and appropriated fund balances (revenues accruing to a school administrative unit in prior years but not yet expended).

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.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there 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), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF).

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

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operation procedures. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

(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, 2019

(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 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 meet this criterion - pension and OPEB related deferrals and contributions made to the plans in the current fiscal year. 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 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 - pension related deferrals 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, 2019 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, 2019

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, 2019

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 \$(130,755,074) 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)	\$ 163,049,271
Less accumulated depreciation	<u>(86,355,529)</u>
Net capital assets	76,693,742
Net OPEB asset	125,785
Pension related deferred outflows of resources	26,055,580
OPEB related deferred outflows of resources	5,015,121
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	(1,453,517)
Compensated absences	(6,135,285)
Net pension liability	(46,422,163)
Net OPEB liability	(117,137,793)
Deferred inflows of resources related to pensions	(1,440,873)
Deferred inflows of resources related to OPEB	<u>(66,055,671)</u>
Total adjustment	<u>\$ (130,755,074)</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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 \$3,485,394 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	\$ 1,071,987
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.	(4,190,176)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	50,564
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities	(741,155)
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	1,002,609
Contributions to the pension plan in the current fiscal year not included in the Statement of Activities	8,936,591
Contributions to the OPEB plans in the current fiscal year not included in the Statement of Activities	4,660,989
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	(10,122,539)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(272,709)
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	<u>3,089,233</u>
Total adjustment	<u>\$ 3,485,394</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. *Stewardship, Compliance, and Accountability*

(1) Excess of Expenditures over Appropriations

During the fiscal year ended June 30, 2019, the Board reported expenditures within the Other Local Current Expense Fund that violated State law [G.S. 115C-441] because they exceeded the amounts appropriated in the budget ordinance. At the legal level of budgetary control, the Other Local Current Expense Fund exceeded the amounts appropriated in the budget ordinance by \$41,101. This violation occurred because the Board was not appropriately monitoring expenditures against the budget. See additional detail on Schedule 9 and 11.

3. *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, 2019, the Board had deposits with banks and savings and loans with a carrying amount of \$5,853,319 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$7,684,716 and \$1,554,892, respectively. Of these balances, \$319,856 was covered by federal depository insurance and \$8,919,752 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. At June 30, 2019, the Board's petty cash totaled \$177.

(2) Investments

At June 30, 2019, the Board of Education had \$21,421 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAm by Standard and Poor's. There was \$9,696,730 invested with the State Treasurer in the Short Term Investment Fund (STIF).

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019.

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.

(3) Receivables

Receivables at the government-wide level at June 30, 2019, 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	\$ 77,301	\$ 147,151	\$ 9,958	\$ 234,410
Other governmental activities	<u>4,196</u>	<u>4,579,410</u>	<u>100</u>	<u>4,583,706</u>
Total governmental activities	<u>\$ 81,497</u>	<u>\$ 4,726,561</u>	<u>\$ 10,058</u>	<u>\$ 4,818,116</u>
Business-type activities:				
School Food Service Fund	<u>\$ (81,497)</u>	<u>\$ 274,720</u>	<u>\$ 3,551</u>	<u>\$ 196,774</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	\$ 106,913	Miscellaneous revenue from local governments
General Fund	40,238	Sales tax refund
State Public School Fund	3,843,615	Operating funds from DPI
State Public School Fund	4,860	Sales tax refund
Federal Grants Fund	242,426	Federal grant funds
Federal Grants Fund	30,001	Sales tax refund
Capital Outlay Fund	144,637	County appropriations
Capital Outlay Fund	22,847	Sales tax refund
Other Local Current Expense Fund	229,526	Federal reimbursements
Other Local Current Expense Fund	19,055	Miscellaneous revenue from local governments
Other Local Current Expense Fund	<u>42,443</u>	Medicaid funds
Total governmental activities	<u>\$ 4,726,561</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 274,720</u>	USDA reimbursements

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

(4) Capital Assets

Capital asset activity for the year ended June 30, 2019 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
Capital assets being depreciated:				
Building	136,290,036	-	-	136,290,036
Improvements	3,320,452	-	173,044	3,147,408
Equipment and furniture	4,239,289	12,500	-	4,251,789
Vehicles	15,667,348	1,059,487	441,468	16,285,367
Total capital assets being depreciated	159,517,125	1,071,987	614,512	159,974,600
Less accumulated depreciation for:				
Building	66,897,821	2,889,119	-	69,786,940
Improvements	1,231,912	293,151	173,044	1,352,019
Equipment and furniture	3,426,958	137,378	-	3,564,336
Vehicles	11,223,174	870,528	441,468	11,652,234
Total accumulated depreciation	82,779,865	4,190,176	614,512	86,355,529
Total capital assets being depreciated, net	76,737,260			73,619,071
Governmental activity capital assets, net	\$ 79,811,931			\$ 76,693,742
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 5,974,910	\$ 119,896	\$ 5,791	\$ 6,089,015
Vehicles	177,796	-	-	177,796
Total capital assets being depreciated	6,152,706	119,896	5,791	6,266,811
Less accumulated depreciation for:				
Equipment and furniture	4,535,022	262,887	2,808	4,795,101
Vehicles	153,175	3,482	-	156,657
Total accumulated depreciation	4,688,197	266,369	2,808	4,951,758
School Food Service capital assets, net	\$ 1,464,509			\$ 1,315,053

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 3,319,648
Operational support services	870,528
	<u>\$ 4,190,176</u>

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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 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, 2019, was 12.29% 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 \$9,129,262 for the year ended June 30, 2019.

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

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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, 2019, the Board reported a liability of \$47,484,571 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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 .477% and .480% at June 30, 2019 and June 30, 2018, respectively.

For the year ended June 30, 2019, the Board recognized pension expense of \$10,340,778. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,465,456	\$ 476,539
Changes of assumptions	9,528,932	-
Net difference between projected and actual earnings on pension plan investments	4,525,288	-
Changes in proportions and differences between Board contributions and proportionate share of contributions	-	999,567
Board contributions subsequent to the measurement date	9,129,262	-
Total	<u>\$ 26,648,938</u>	<u>\$ 1,476,106</u>

The Board reported \$9,129,262 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 9,542,255
2021	5,843,823
2022	740,589
2023	(83,097)
	<u>\$ 16,043,570</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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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 actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 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 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.0%, a decrease of 0.2% from the discount rate used at the prior measurement date. 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.

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability	\$ 90,561,124	\$ 47,484,571	\$11,339,077

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 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

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credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

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

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. Contributions to the RHBF plan from the Board were \$4,657,483 for the year ended June 30, 2019.

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

At June 30, 2019, Board reported a liability of \$119,895,257 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 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, 2019 and 2018, the Board's proportion was 0.421% and 0.438%, respectively.

The Board reported \$4,657,483 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (15,489,176)
2021	(15,489,176)
2022	(15,489,176)
2023	(15,476,358)
2024	(5,605,208)
	<u>\$ (67,549,094)</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including 3.5% inflation and productivity factor
Investment rate of return	7.0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate - medical	5.0 to 6.50 percent
Healthcare cost trend rate - prescription drug	5.0 to 7.25 percent
Healthcare cost trend rate - Medicare advantage	5.0 percent
Healthcare cost trend rate – administrative	3.0 percent

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 3.87%. 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 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

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 (2.87 percent) or 1-percentage point higher (3.87 percent) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$141,657,457	\$119,895,257	\$102,450,520

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 lower or 1 -percentage point higher than the current healthcare trend rates:

	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-6.25%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical - 6.00-7.50%, Pharmacy - 6.00-8.25%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 98,910,466	\$ 119,895,257	\$ 147,444,178

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.

(c) Other Postemployment 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

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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, 2019, employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$103,995 for the year ended June 30, 2019.

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, 2019, Board reported an asset of \$128,916 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 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, 2019 and 2018, the Board's proportion was 0.424%.

The Board reported \$103,995 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

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June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 89,096
2021	89,083
2022	62,130
2023	47,934
2024	33,487
Thereafter	33,474
	<u>\$ 355,204</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of OPEB plan investment expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (2.75 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%)
Net OPEB asset	\$ 98,779	\$ 128,916	\$ 157,826

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates

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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	100.0%	

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	\$ (3,167,003)	\$ 11,167	\$ (3,155,836)
OPEB liability (asset)	119,895,257	(128,916)	119,766,341
Proportionate share of the net OPEB liability (asset)	0.421%	0.424%	
Deferred outflows of resources			
Differences between expected and actual experience	-	224,881	224,881
Changes in assumptions	-	24,344	24,344
Net difference between projected and actual earnings on plan investments	12,894	100,400	113,294
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	6,486	6,486
Board contributions subsequent to the measurement date	4,657,483	103,995	4,761,478
Deferred inflows of resources			
Differences between expected and actual experience	8,198,968	-	8,198,968
Changes of assumptions	51,941,393	-	51,941,393
Changes in proportion and differences between Board contributions and proportionate share of contributions	7,421,627	907	7,422,534

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(2) Payables

Payables as of June 30, 2019 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Totals</u>
Governmental activities:			
General	\$ 368,996	\$ 307,954	\$ 676,950
Other governmental	<u>14,627</u>	<u>4,141,906</u>	<u>4,156,533</u>
Total governmental activities	<u>\$ 383,623</u>	<u>\$ 4,449,860</u>	<u>\$ 4,833,483</u>
Business-type activities:			
School Food Service	<u>\$ -</u>	<u>\$ 111,698</u>	<u>\$ 111,698</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)	\$ 169,380
State Public School Fund inventories	<u>345,100</u>
Total – governmental activities	<u>\$ 514,480</u>
Prepayment of meals	\$ 94,829
Sales tax refund receivable	<u>7,633</u>
Total – business-type activities	<u>\$ 102,462</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)	\$ 3,690,337	\$ 8,675,507
Changes of assumptions (Pension & OPEB)	9,553,276	51,941,393
Difference between projected and actual earnings on plan investments (Pension & OPEB)	4,638,582	-
Change in proportion and differences between employer contributions and proportionate share of contributions (Pension & OPEB)	6,486	8,422,101
Board contributions subsequent to the measurement date (Pension & OPEB)	<u>13,890,740</u>	<u>-</u>
Totals	<u>\$ 31,779,421</u>	<u>\$ 69,039,001</u>

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(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 \$2,550,000, and \$2,550,000 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 \$275,000 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 High, and West Craven Middle 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, 2019, 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.

(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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2017, June 30, 2018, and June 30, 2019, the Board entered into installment purchase contracts for \$1,028,966, \$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, 2019 are as follows:

<u>Year Ending June 30</u>	
2020	\$ 765,300
2021	508,058
2022	<u>180,159</u>
	<u>\$ 1,453,517</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, 2019:

	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 1,714,971	\$ 741,155	\$ 1,002,609	\$ 1,453,517	\$ 765,300
Net pension liability	37,204,966	9,217,197	-	46,422,163	-
Net OPEB liability	140,218,488	-	23,080,695	117,137,793	-
Compensated absences	<u>5,862,576</u>	<u>4,307,347</u>	<u>4,034,638</u>	<u>6,135,285</u>	<u>4,222,317</u>
Total	<u>\$185,001,001</u>	<u>\$ 14,265,699</u>	<u>\$ 28,117,942</u>	<u>\$ 171,148,758</u>	<u>\$ 4,987,617</u>
Business-type activities:					
Net pension liability	\$ 863,688	\$ 198,720	\$ -	\$ 1,062,408	\$ -
Net OPEB liability	3,255,077	-	497,613	2,757,464	-
Compensated absences	<u>153,133</u>	<u>110,933</u>	<u>127,238</u>	<u>137,048</u>	<u>113,710</u>
Total	<u>\$ 4,271,898</u>	<u>\$ 309,653</u>	<u>\$ 624,851</u>	<u>\$ 3,956,920</u>	<u>\$ 113,710</u>

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds. Pension and OPEB liabilities are liquidated through contributions from all funds.

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

Board of Education of Craven County Schools
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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	\$ 6,706,805
Less:	
Inventories	219,463
Stabilization by State Statute	477,157
Subsequent year's expenditures	<u>546,075</u>
Remaining Fund Balance	<u>\$ 5,464,110</u>

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

<i>Encumbrances</i>	<i>General Fund</i>	<i>Capital Outlay Fund</i>
	\$242,747	\$1,598,154

4. 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.

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 Six Fiscal Years*

Schedule 1

	<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	0.477%	0.480%	0.507%	0.509%	0.510%	0.513%
Board's proportionate share of the net pension liability	\$ 47,484,571	\$ 38,068,654	\$ 46,628,868	\$ 18,744,391	\$ 5,978,526	\$ 31,156,470
Board's covered payroll	\$ 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	66.74%	55.38%	67.36%	26.32%	8.72%	43.98%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	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 Six Fiscal Years*

Schedule 2

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 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>9,129,262</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>
Board's covered payroll	\$ 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	12.17%	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 Three Fiscal Years*

Schedule 3

	2019	2018	2017
Board's proportion of the net OPEB liability	0.421%	0.438%	0.441%
Board's proportionate share of the net OPEB liability	\$ 119,895,257	\$ 143,473,565	\$ 191,972,313
Board's covered payroll	\$ 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	168.52%	208.73%	277.34%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	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 Three Fiscal Years*

Schedule 4

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 4,657,483	\$ 4,240,302	\$ 3,928,750
Contributions in relation to the contractually required contribution	<u>4,657,483</u>	<u>4,240,302</u>	<u>3,928,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	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 Three Fiscal Years*

Schedule 5

	2019	2018	2017
Board's proportion of the net OPEB asset	0.424%	0.424%	0.453%
Board's proportionate share of the net OPEB asset	\$ 128,916	\$ 259,436	\$ 281,369
Board's covered payroll	\$ 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	0.18%	0.38%	0.41%
Plan fiduciary net position as a percentage of the net OPEB asset	108.47%	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 Three Fiscal Years*

Schedule 6

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

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 1,714,972	\$ 1,002,609	\$ (712,363)
Craven County:			
Appropriations - operating	1,994,967	1,728,959	(266,008)
Other:			
Miscellaneous revenues	<u>65,165</u>	<u>60,707</u>	<u>(4,458)</u>
Total revenues	<u>3,775,104</u>	<u>2,792,275</u>	<u>(982,829)</u>
Expenditures:			
Capital outlay:			
Furniture and equipment		1,429,170	
Buses and motor vehicles		1,069,865	
Total capital outlay	<u>3,102,375</u>	<u>2,499,035</u>	<u>603,340</u>
Debt service:			
Principal	<u>1,714,972</u>	<u>1,002,609</u>	<u>712,363</u>
Total expenditures	<u>4,817,347</u>	<u>3,501,644</u>	<u>1,315,703</u>
Revenues under expenditures	(1,042,243)	(709,369)	332,874
Other financing sources:			
Installment purchase obligations issued	741,155	741,155	-
Fund balance appropriated	<u>301,088</u>	-	<u>(301,088)</u>
Net change in fund balance	<u>\$ -</u>	31,786	<u>\$ 31,786</u>
Fund balance:			
Beginning of year		<u>434,709</u>	
End of year		<u>\$ 466,495</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, 2019

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Food sales	\$ 1,272,200	\$ 855,347	\$ (416,853)
Operating expenditures:			
Business support services:			
Purchase of food		2,023,673	
Donated commodities		465,409	
Salaries and benefits		3,040,454	
Indirect costs		411,534	
Materials and supplies		291,014	
Repairs and maintenance		34,208	
Contracted services		25,418	
Non-capitalized equipment		90,235	
Other		74,727	
Capital outlay		119,896	
Total operating expenditures	7,397,293	6,576,568	820,725
Operating loss	(6,125,093)	(5,721,221)	403,872
Nonoperating revenues:			
Federal reimbursements	4,237,015	5,231,420	994,405
Federal commodities	424,933	465,409	40,476
State reimbursements	20,000	7,417	(12,583)
Interest earned	24,000	41,362	17,362
Other local revenues	92,000	75,228	(16,772)
Total nonoperating revenues	4,797,948	5,820,836	1,022,888
Excess of revenues over (under) expenditures before fund balance appropriated	(1,327,145)	99,615	1,426,760
Fund balance appropriated	1,327,145	-	(1,327,145)
Excess revenues and other sources over expenditures	\$ -	99,615	\$ 99,615
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(266,369)	
Loss on disposal of capital assets		(2,983)	
Equipment purchases		119,896	
Decrease in inventories		(87,663)	
Decrease in net OPEB asset		(2,755)	
Increase in deferred outflows of resources		163,693	
Increase in net pension liability		(198,720)	
Decrease in net OPEB liability		497,613	
Increase in deferred inflows of resources		(318,308)	
Decrease in compensated absences payable		16,085	
Change in net position (full accrual)		\$ 20,104	



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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Governmental activities</u>										
Net investment in capital assets	\$ 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	\$ 99,312,106
Restricted	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	815,099
Unrestricted	<u>(196,867,281)</u>	<u>(202,402,543)</u>	<u>(16,174,218)</u>	<u>(16,126,195)</u>	<u>(21,784,295)</u>	<u>(178,046)</u>	<u>1,210,006</u>	<u>6,200,357</u>	<u>3,674,174</u>	<u>1,669,706</u>
Total net position (deficit)	<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>\$ 101,796,911</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 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	\$ 1,782,688
Restricted	3,131	11,237	-	-	-	-	-	-	-	-
Unrestricted	<u>(1,525,437)</u>	<u>(1,703,103)</u>	<u>3,033,414</u>	<u>3,267,947</u>	<u>4,194,350</u>	<u>5,148,306</u>	<u>5,153,495</u>	<u>4,857,095</u>	<u>4,586,112</u>	<u>4,084,499</u>
Total net position (deficit)	<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>\$ 5,867,187</u>
<u>Total primary government</u>										
Net investment in capital assets	\$ 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	\$ 101,094,794
Restricted	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	815,099
Unrestricted	<u>(198,392,718)</u>	<u>(204,105,646)</u>	<u>(13,140,804)</u>	<u>(12,858,248)</u>	<u>(17,589,945)</u>	<u>4,970,260</u>	<u>6,363,501</u>	<u>11,057,452</u>	<u>8,260,286</u>	<u>5,754,205</u>
Total net position (deficit)	<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>	<u>\$ 107,664,098</u>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Governmental activities</u>										
Net investment in capital assets	*	\$ 44,781,813	\$ 42,035,851	\$ 41,106,523	\$ 40,687,026	\$ 40,967,813	\$ 38,519,516	\$ 37,057,382	\$ 37,674,722	\$ 34,254,404
Restricted	*	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705	9,316,938	9,058,929	8,300,518	4,029,326
Unrestricted	*	1,530,331	4,940,354	(1,596,184)	(4,408,602)	(8,377,381)	(11,378,791)	(13,148,958)	(14,757,288)	(13,245,067)
Total net position (deficit)	*	<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>\$ 25,038,663</u>
<u>Business-type activities</u>										
Net investment in capital assets	*	\$ 27,637,466	\$ 27,475,458	\$ 25,089,385	\$ 21,306,317	\$ 16,038,577	\$ 17,043,922	\$ 17,751,235	\$ 17,797,133	\$ 18,280,499
Unrestricted	*	12,101,314	11,911,171	12,993,943	15,100,037	18,993,230	16,636,853	14,546,045	13,198,583	11,522,108
Total net position (deficit)	*	<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>\$ 29,802,607</u>
<u>Total primary government</u>										
Net investment in capital assets	*	\$ 72,419,279	\$ 69,511,309	\$ 66,195,908	\$ 61,993,343	\$ 57,006,390	\$ 55,563,438	\$ 54,808,617	\$ 55,471,855	\$ 52,534,903
Restricted	*	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705	9,316,938	9,058,929	8,300,518	4,029,326
Unrestricted	*	13,631,645	16,851,525	11,397,759	10,691,435	10,615,849	5,258,062	1,397,087	(1,558,705)	(1,722,959)
Total net position (deficit)	*	<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>	<u>\$ 54,841,270</u>

* The 2019 data was not available at time of preparation.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Functions/Programs										
Expenses										
<u>Governmental activities</u>										
Instructional programs	\$ 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	\$ 92,716,514
Supporting services	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	21,832,422
Ancillary services	726,799	240,360	245,612	278,005	277,187	280,351	287,144	256,548	257,423	286,543
Non-programmed charges	440,666	597,677	338,416	294,805	217,738	160,397	105,516	240,789	386,909	359,603
Unallocated depreciation	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	2,954,049
Total governmental activities	<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>118,149,131</u>
<u>Business-type activities</u>										
School food services	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	6,701,169
Total business-type activities	<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>	<u>6,701,169</u>
Total board of education expenses	<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>	<u>\$ 124,850,300</u>
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
Instructional programs	\$ 2,937,012	\$ 3,083,562	\$ 3,143,322	\$ 3,372,377	\$ 3,252,473	\$ 21,777	\$ 31,529	\$ 35,637	\$ -	\$ -
Supporting services	44,752	401,733	339,539	644,424	677,605	33,815	38,888	480,157	-	-
Operating grants and contributions										
Instructional programs	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	85,044,703
Supporting services	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	8,669,825
Ancillary services	518,464	56,224	68,096	53,960	52,277	96,167	60,726	102,793	116,551	187,510
Non-programmed charges	251,110	151,881	126,684	2,089	-	145,336	145,447	127,637	315,920	305,850
Capital grants and contributions										
Supporting services	1,002,609	1,101,722	1,160,786	554,886	-	301,352	257,371	345,119	299,160	190,733
Total governmental activities	<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>94,398,621</u>
<u>Business-type activities</u>										
Charges for services										
School food services	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	2,474,273
Operating grants and contributions										
School food services	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	4,725,014
Total business-type activities	<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>	<u>7,199,287</u>
Total board of education program revenues	<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>	<u>\$ 101,597,908</u>
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (23,750,510)
Business-type activities	(93,503)	(851,144)	(630,758)	(910,685)	(750,015)	(246,699)	104,770	579,880	578,476	498,118
Total board of education net (expense) revenue	<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>	<u>\$ (23,252,392)</u>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense) revenue										
Governmental activities	\$ (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)	\$ (23,750,510)
Business-type activities	(93,503)	(851,144)	(630,758)	(910,685)	(750,015)	(246,699)	104,770	579,880	578,476	498,118
Total board of education net (expense) revenue	<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>	<u>\$ (23,252,392)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Unrestricted county appropriation - operating	\$ 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	\$ 17,454,986
Unrestricted county appropriation - capital	1,728,959	1,958,056	1,095,180	1,146,375	700,000	779,487	1,193,793	1,505,663	756,953	979,339
Unrestricted state and federal appropriation - operating	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	1,381,666
Unrestricted state appropriation - capital	6,133,418	-	-	-	-	-	-	-	-	-
Interest earnings - unrestricted	114,658	82,859	40,752	19,733	19,077	19,173	39,878	67,565	67,035	94,854
Miscellaneous - unrestricted	1,162,004	1,206,089	902,484	1,074,840	884,401	936,805	905,703	855,553	1,680,768	1,484,557
Transfers	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)	(45,172)	(45,001)	(45,001)	-
Total governmental activities	<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>21,395,402</u>
<u>Business-type activities</u>										
Unrestricted county appropriation - operating	-	-	-	-	-	-	-	-	-	-
Unrestricted state appropriation - operating	-	-	-	-	-	-	-	-	33,095	30,384
Interest earnings - unrestricted	41,362	34,038	32,707	19,023	15,915	14,513	14,511	23,284	28,211	42,094
Miscellaneous - unrestricted	72,245	19,725	40,455	35,929	22,482	8,719	18,285	17,736	62,100	593
Transfers	-	56,224	49,638	48,468	46,312	45,431	45,172	45,001	45,001	-
Total business-type activities	<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>	<u>73,071</u>
Total board of education	<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>	<u>\$ 21,468,473</u>
Change in net position (deficit)										
Governmental activities	\$ 2,587,222	\$ (6,975,595)	\$ 134,072	\$ 3,114,080	\$ 275,411	\$ (3,594,977)	\$ (8,028,757)	\$ (75,430)	\$ (482,756)	\$ (2,355,108)
Business-type activities	20,104	(741,157)	(507,958)	(807,265)	(665,306)	(178,036)	182,738	665,901	746,883	571,189
Total changes in net position (deficit)	<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>	<u>\$ (1,783,919)</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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
<u>Governmental activities</u>										
General government	*	\$ 11,077,893	\$ 9,925,453	\$ 10,086,514	\$ 9,219,322	\$ 9,529,776	\$ 6,245,251	\$ 10,295,084	\$ 8,577,883	\$ 7,963,893
Public safety	*	21,947,336	20,980,588	19,458,091	18,505,550	18,273,896	21,178,464	16,897,985	16,218,231	14,754,169
Social services	*	19,157,572	22,760,861	22,231,898	21,913,659	22,078,158	22,566,592	23,091,103	23,268,931	22,338,223
Economic and physical development	*	2,958,118	4,389,590	4,349,446	4,035,005	3,244,680	2,818,906	3,372,531	3,820,355	3,020,353
Environmental protection	*	4,950,380	4,608,929	4,998,475	5,121,002	5,200,967	4,949,064	5,044,117	5,234,597	5,191,327
Health	*	9,404,146	8,626,160	8,338,343	7,784,851	8,495,912	8,883,418	8,391,523	8,467,181	8,537,699
Cultural and recreation	*	2,675,892	2,535,497	2,403,064	2,289,270	2,435,885	2,334,287	2,287,587	2,357,440	2,305,497
Education	*	27,018,838	27,005,640	26,313,562	24,559,787	23,691,968	23,743,790	23,781,177	22,244,200	22,099,376
Interest on long term debt	*	1,550,637	1,803,760	2,105,628	2,360,526	2,617,304	2,739,303	3,488,561	3,772,400	3,971,610
Total governmental activities	*	100,740,812	102,636,478	100,285,021	95,788,972	95,568,546	95,459,075	96,649,668	93,961,218	90,182,147
<u>Business-type activities</u>										
Water	*	3,338,714	2,667,016	2,489,876	2,510,634	2,559,429	2,428,976	2,504,781	2,533,584	2,259,291
Total primary government expenses	*	\$ 104,079,526	\$ 105,303,494	\$ 102,774,897	\$ 98,299,606	\$ 98,127,975	\$ 97,888,051	\$ 99,154,449	\$ 96,494,802	\$ 92,441,438
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
General government	*	\$ 3,836,181	\$ 4,141,074	\$ 3,170,663	\$ 3,493,235	\$ 2,194,205	\$ 2,056,024	\$ 1,633,609	\$ 1,470,684	\$ 1,283,052
Public safety	*	3,057,836	3,316,974	3,190,889	2,947,087	2,584,019	2,728,253	2,250,857	1,998,438	1,715,207
Social services	*	595,252	559,026	630,752	572,655	597,505	920,099	746,897	705,484	895,360
Economic and physical development	*	1,159,464	1,101,404	1,052,562	925,772	1,244,763	1,211,200	1,094,565	1,040,227	1,048,298
Environmental protection	*	2,670,966	2,405,043	2,432,969	2,428,100	2,417,794	2,470,808	2,509,331	2,462,442	2,442,846
Health	*	5,663,594	5,463,003	5,652,030	3,866,147	5,003,765	5,252,724	5,005,119	5,808,276	5,158,491
Cultural and recreation	*	59,372	61,401	66,145	69,062	89,512	80,782	75,810	72,418	70,223
Operating grants and contributions:										
General government	*	1,929,566	2,166,871	2,122,023	2,306,404	2,337,535	2,051,064	2,238,620	1,298,151	1,097,706
Public safety	*	489,762	678,254	651,546	430,833	645,226	824,904	845,729	928,821	858,361
Social services	*	11,768,753	15,321,889	15,798,488	16,040,514	14,917,957	14,979,911	15,728,496	15,687,981	14,754,004
Economic and physical development	*	630,177	1,346,255	1,252,208	1,453,613	-	34,034	32,998	-	44,816
Environmental protection	*	202,131	158,668	158,994	196,894	253,420	143,267	143,389	130,108	196,072
Health	*	2,858,004	2,378,208	2,185,702	1,556,948	1,645,752	1,704,070	1,701,749	1,821,323	2,069,631
Cultural and recreation	*	-	313,000	563,280	61,000	51,500	37,500	49,500	61,500	18,000
Education	*	944,400	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	*	-	-	-	-	-	-	-	-	43,609
Public safety	*	-	-	-	-	-	-	4,472	10,696	99,999
Social services	*	138,417	-	120,012	181,004	255,086	134,820	117,377	109,337	103,938
Economic and physical development	*	515,000	-	-	-	204,085	452,809	580,782	766,166	184,344
Cultural and recreation	*	-	-	-	-	-	47,731	-	395,394	56,875
Education	*	-	842,910	1,083,080	926,810	1,030,840	1,010,010	1,129,230	2,136,870	1,438,000
Total governmental activities program revenues	*	36,518,875	40,253,980	40,131,343	37,456,078	35,472,964	36,140,010	35,888,530	36,904,316	33,578,832
<u>Business-type activities:</u>										
Charge for services - Water	*	\$ 3,945,311	\$ 3,936,307	\$ 3,803,643	\$ 3,809,820	\$ 3,828,806	\$ 3,733,491	\$ 3,709,076	\$ 3,652,217	\$ 3,688,563
Total business-type activities program revenues	*	3,945,311	3,936,307	3,803,643	3,809,820	3,828,806	3,733,491	3,709,076	3,652,217	3,688,563
Total primary government program revenues	*	\$ 40,464,186	\$ 44,190,287	\$ 43,934,986	\$ 41,265,898	\$ 39,301,770	\$ 39,873,501	\$ 39,597,606	\$ 40,556,533	\$ 37,267,395
Net (expense) revenue										
Governmental activities	*	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)	\$ (59,319,065)	\$ (60,761,138)	\$ (57,056,902)	\$ (56,603,315)
Business-type activities	*	606,597	1,269,291	1,313,767	1,299,186	1,269,377	1,304,515	1,204,295	1,118,633	1,429,272
Total primary government net (expense) revenue	*	\$ (63,615,340)	\$ (61,113,207)	\$ (58,839,911)	\$ (57,033,708)	\$ (58,826,205)	\$ (58,014,550)	\$ (59,556,843)	\$ (55,938,269)	\$ (55,174,043)

* The 2019 data was not available at time of preparation.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (expense) revenue										
Governmental activities	*	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)	\$ (59,319,065)	\$ (60,761,138)	\$ (57,056,902)	\$ (56,603,315)
Business-type activities	*	606,597	1,269,291	1,313,767	1,299,186	1,269,377	1,304,515	1,204,295	1,118,633	1,429,272
Total primary government net (expense) revenue	*	<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>	<u>\$ (55,174,043)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Property taxes	*	\$ 52,594,856	\$ 51,783,504	\$ 49,058,073	\$ 48,065,864	\$ 48,512,236	\$ 47,503,351	\$ 46,550,189	\$ 47,482,900	\$ 44,076,129
Local option sales tax	*	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720	13,594,555	13,491,235	12,415,520	13,053,176
Other taxes and licenses	*	1,075,286	1,077,699	1,065,391	934,214	862,997	827,554	1,003,991	857,817	790,980
Investment earnings	*	634,968	305,406	154,860	163,783	156,285	228,358	231,554	282,690	544,629
Miscellaneous	*	454,249	564,447	471,964	658,262	1,006,261	1,519,890	1,128,570	2,091,064	2,406,773
Special Item	*	-	-	-	850,000	1,516,317				
Transfers	*	313,222	130,000	105,000	105,000	83,240	102,620	105,000	106,200	96,200
Total governmental activities	*	<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>	<u>60,967,887</u>
Business-type activities:										
Investment earnings	*	58,652	23,151	19,192	42,829	57,122	70,659	67,396	72,310	127,572
Miscellaneous	*	112,402	140,859	449,015	204,818	107,772	110,942	134,873	114,098	101,804
Transfers	*	(313,222)	(130,000)	(105,000)	(105,000)	(83,240)	(102,620)	(105,000)	(106,200)	(96,200)
Total business-type activities	*	<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>	<u>133,176</u>
Total primary government	*	<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>\$ 61,101,063</u>
<u>Change in Net Position</u>										
Governmental activities	*	\$ 7,748,151	\$ 7,575,670	\$ 5,814,085	\$ 6,976,469	\$ 5,436,474	\$ 4,457,263	\$ 1,749,401	\$ 6,179,289	\$ 4,364,572
Business-type activities	*	464,429	1,303,301	1,676,974	1,441,833	1,351,031	1,383,496	1,301,564	1,198,841	1,562,448
Total primary government	*	<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>	<u>\$ 5,927,020</u>

* The 2019 data was not available at time of preparation.

Source: Craven County Finance Department

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 ¹
General Fund										
Reserved										
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,797
State Statute	-	-	-	-	-	-	-	-	-	175,505
Unreserved										
Designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	1,000,000
Undesignated	-	-	-	-	-	-	-	-	-	4,342,550
Nonspendable	219,463	168,899	204,773	278,684	363,880	387,531	420,357	388,075	388,247	-
Restricted	477,157	226,818	2,196,530	214,920	271,482	184,244	567,439	2,546,285	71,690	-
Assigned	546,075	780,025	900,615	945,045	1,500,000	2,344,398	1,474,289	3,092,999	1,474,289	-
Unassigned	5,464,110	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	\$ 6,706,805	\$ 7,547,719	\$ 7,650,198	\$ 3,837,041	\$ 2,591,543	\$ 3,935,412	\$ 5,139,729	\$ 12,141,181	\$ 7,055,266	\$ 5,907,852
All Other Governmental Funds										
Reserved										
Individual schools fund	-	-	-	-	-	-	-	-	-	13,908
Unreserved										
Capital Outlay Fund	-	-	-	-	-	-	-	-	-	611,105
Individual Schools Fund	-	-	-	-	-	-	-	-	-	801,191
Restricted										
Individual Schools Fund	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	3,319,475	3,406,376	2,648,432	2,296,401	2,659,512	2,547,694	81,898	148,698	113,987	-
Capital Outlay Fund	466,495	434,709	543,311	442,105	285,648	169,853	423,301	523,728	410,224	-
Assigned										
Other Local Current Expense Fund	-	-	-	-	-	1,922,468	1,654,767	1,387,247	-	-
Total Other Governmental Funds	\$ 4,793,856	\$ 4,800,550	\$ 4,148,046	\$ 3,654,177	\$ 3,792,372	\$ 5,692,039	\$ 3,145,616	\$ 2,961,561	\$ 1,469,836	\$ 1,426,204

Notes:

1 Governmental Accounting Standard Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions , which requires fund balance classifications of Nonspendable, Restricted, Committed, Assigned, and Unassigned, was adopted by the Craven County Board of Education, North Carolina, as of July 1, 2010. The Board has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

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

<u>General Fund</u>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Nonspendable										
Stabilization by state statute	*	\$ 34,582	\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by state statute	*	7,681,300	7,866,740	8,690,228	6,619,013	5,866,674	6,505,313	5,621,630	4,839,673	5,719,134
Register of Deeds	*	-	-	-	-	3,030	30,700	37,222	58,208	55,348
Public Safety	*	36,076	56,262	81,761	89,738	104,005	117,324	84,542	86,034	82,387
Assigned										
Subsequent year's expenditures	*	-	-	79,872	131,509	186,332	-	416,953	-	1,562,592
Unassigned	*	29,358,798	27,936,364	24,262,888	25,565,252	25,743,810	23,440,262	23,271,321	22,190,181	19,141,577
Total General Fund	*	<u>\$ 37,110,756</u>	<u>\$ 35,941,866</u>	<u>\$ 33,114,749</u>	<u>\$ 32,405,512</u>	<u>\$ 31,903,851</u>	<u>\$ 30,093,599</u>	<u>\$ 29,431,668</u>	<u>\$ 27,174,096</u>	<u>\$ 26,561,038</u>
<u>All Other Governmental Funds</u>										
Restricted										
Stabilization by state statute	*	\$ 246,658	\$ 350,482	\$ 1,102,191	\$ 183,592	\$ 161,598	\$ 194,002	\$ 326,340	\$ 288,406	\$ 163,699
General Government	*	527,388	-	-	-	-	-	-	-	-
Public Schools	*	431,771	160,891	448,646	647,407	1,097,060	377,273	1,318,370	3,868,232	2,773,462
Public Safety	*	1,188,720	1,463,892	759,385	567,449	595,537	2,045,351	1,670,825	1,237,435	954,430
Economic and Physical Development	*	1,212,049	1,541,884	1,204,220	1,596,963	1,475,800	46,975	-	-	-
Committed										
Capital projects	*	10,570,948	9,396,089	8,974,443	8,981,920	6,643,056	7,596,194	7,686,508	8,447,983	7,552,472
Unassigned	*	(149,490)	(136,611)	(47,561)	(145,052)	(268,169)	(19,890)	(196,990)	(141,851)	-
Total Other Governmental Funds	*	<u>\$ 14,028,044</u>	<u>\$ 12,776,627</u>	<u>\$ 12,441,324</u>	<u>\$ 11,832,279</u>	<u>\$ 9,704,882</u>	<u>\$ 10,239,905</u>	<u>\$ 10,805,053</u>	<u>\$ 13,700,205</u>	<u>\$ 11,444,063</u>

* The 2019 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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
U.S. Government	\$ 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	\$ 18,193,396
State of North Carolina	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	74,210,060
Craven County	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	18,434,325
Other local revenues	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	4,697,754
Total revenues	<u>133,778,582</u>	<u>123,068,044</u>	<u>120,414,769</u>	<u>116,591,265</u>	<u>115,453,988</u>	<u>113,968,244</u>	<u>115,331,825</u>	<u>118,581,836</u>	<u>117,560,961</u>	<u>115,535,535</u>
Expenditures										
Instructional programs	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	92,570,879
Support services	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	20,315,979
Ancillary services	758,190	227,098	239,229	283,963	289,286	280,351	287,144	256,548	257,800	293,094
Non-programmed charges	713,409	760,490	479,990	438,758	385,175	320,491	272,046	240,789	386,909	359,603
Debt service	1,002,609	1,068,510	1,061,143	516,984	520,429	104,886	209,772	-	50,950	153,375
Capital outlay	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	809,510
Total Expenditures	<u>135,417,909</u>	<u>123,773,389</u>	<u>117,784,015</u>	<u>116,016,083</u>	<u>117,887,803</u>	<u>114,770,876</u>	<u>119,326,613</u>	<u>116,308,003</u>	<u>114,942,516</u>	<u>114,502,440</u>
Excess of revenues over (under) expenditures	<u>(1,639,327)</u>	<u>(705,345)</u>	<u>2,630,754</u>	<u>575,182</u>	<u>(2,433,815)</u>	<u>(802,632)</u>	<u>(3,994,788)</u>	<u>2,273,833</u>	<u>2,618,445</u>	<u>1,033,095</u>
Other Financing Sources (Uses)										
Transfers from (to) other funds	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)	(45,172)	(45,001)	(45,001)	(65,457)
Installment purchase obligations issued	741,155	1,311,594	1,725,910	580,589	1,159,059	-	419,543	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	6,399	18,810
Total other financing sources (uses)	<u>741,155</u>	<u>1,255,370</u>	<u>1,676,272</u>	<u>532,121</u>	<u>1,112,747</u>	<u>(45,431)</u>	<u>374,371</u>	<u>(45,001)</u>	<u>(38,602)</u>	<u>(46,647)</u>
Change in reserve for inventories	<u>50,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,282</u>	<u>-</u>	<u>-</u>	<u>(22,733)</u>
Net change in fund balance	<u>\$ (847,608)</u>	<u>\$ 550,025</u>	<u>\$ 4,307,026</u>	<u>\$ 1,107,303</u>	<u>\$ (1,321,068)</u>	<u>\$ (848,063)</u>	<u>\$ (3,588,135)</u>	<u>\$ 2,228,832</u>	<u>\$ 2,579,843</u>	<u>\$ 963,715</u>
Debt service as a percentage of noncapital expenditures	0.754%	0.888%	0.922%	0.452%	0.448%	0.092%	0.178%	0.000%	0.045%	0.135%

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes:										
Property	*	\$ 52,668,757	\$ 51,917,034	\$ 49,134,422	\$ 48,452,331	\$ 48,823,450	\$ 47,466,725	\$ 47,256,788	\$ 47,123,346	\$ 43,929,823
Sales	*	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720	13,594,555	13,491,235	12,415,519	13,053,171
Other	*	1,075,286	1,077,699	1,065,391	934,214	862,997	827,554	1,003,991	857,817	790,980
Total taxes	*	70,641,550	69,091,845	65,312,288	63,918,785	63,081,167	61,888,834	61,752,014	60,396,682	57,773,974
Intergovernmental	*	19,476,210	23,209,055	23,935,338	23,154,019	21,341,401	21,695,955	22,572,342	23,346,347	20,965,355
Charges for Services	*	17,191,527	17,181,291	16,333,950	14,617,799	14,490,392	15,072,071	13,562,444	13,775,506	12,913,153
Interest	*	630,042	297,665	148,453	150,404	142,116	209,474	212,830	262,321	506,334
Miscellaneous	*	934,418	1,009,671	979,965	2,278,429	1,432,328	1,524,801	1,535,915	2,415,734	1,299,699
Total Revenues	*	108,873,747	110,789,527	106,709,994	104,119,436	100,487,404	100,391,135	99,635,545	100,196,590	93,458,515
Expenditures										
General Government	*	12,297,021	10,435,517	10,213,411	9,948,357	9,446,475	9,423,766	9,834,924	8,580,077	8,224,937
Public Safety	*	19,927,529	19,282,826	17,892,625	17,185,318	18,056,044	16,680,517	15,375,134	15,442,372	16,627,081
Environmental Protection	*	5,473,167	5,357,128	5,079,891	5,140,583	5,121,996	4,908,080	5,005,287	5,169,741	5,099,920
Economic Development	*	3,054,020	3,849,000	3,950,990	3,612,837	2,764,612	3,059,513	3,134,830	3,412,474	2,603,966
Health	*	9,009,776	8,235,214	8,379,656	7,644,382	8,200,004	8,605,502	8,405,341	8,408,079	8,366,853
Social Services (2)	*	19,118,866	22,309,579	22,305,810	22,355,542	22,150,591	22,457,994	23,000,499	23,294,245	21,983,411
Culture and Recreation	*	2,688,417	2,919,651	3,028,748	2,341,104	2,314,351	2,197,876	2,150,943	2,644,812	2,258,013
Education	*	27,018,838	27,005,640	26,108,710	24,559,787	23,691,968	23,743,790	23,781,177	22,244,200	22,099,376
Debt Service:										
Principal	*	7,021,300	6,891,300	6,816,300	6,831,446	6,832,806	6,802,064	6,311,214	6,696,780	6,516,291
Interest	*	1,157,728	1,471,252	1,720,571	1,976,022	2,232,885	2,577,753	3,436,180	3,703,810	4,552,090
Total Expenditures	*	106,766,662	107,757,107	105,496,712	101,595,378	100,811,732	100,456,855	100,435,529	99,596,590	98,331,938
Excess of revenues over (under) expenditures	*	2,107,085	3,032,420	1,213,282	2,524,058	(324,328)	(65,720)	(799,984)	600,000	(4,873,423)
Other Financing Sources (Uses)										
Transfers in	*	9,122,508	7,855,332	6,425,300	7,619,608	8,702,882	9,278,851	6,567,143	8,592,538	5,493,731
Transfers out	*	(8,809,286)	(7,725,332)	(6,320,300)	(7,514,608)	(8,619,642)	(9,176,231)	(6,404,739)	(8,486,338)	(5,397,531)
Special Item						1,516,317				
Bonds issued	*	-	-	-	-	-	-	-	-	-
Refunding bonds issued	*	-	-	-	-	-	33,950,000	-	-	22,837,279
Payment to refunding escrow agent	*	-	-	-	-	-	(33,890,117)	-	-	(22,346,479)
Proceeds from capital lease	*	-	-	-	-	-	-	-	-	-
Proceeds from installment note/COPS	*	-	-	-	-	-	-	-	2,163,000	-
Total other financing sources (uses)	*	313,222	130,000	105,000	105,000	1,599,557	162,503	162,404	2,269,200	587,000
Net change in fund balances	*	\$ 2,420,307	\$ 3,162,420	\$ 1,318,282	\$ 2,629,058	\$ 1,275,229	\$ 96,783	\$ (637,580)	\$ 2,869,200	\$ (4,286,423)
Debt service as a percentage of noncapital expenditures	*	8.02%	7.98%	8.28%	8.84%	9.28%	9.57%	9.87%	10.62%	11.16%

* The 2019 data was not available at time of preparation.

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
2019	\$ 93,751,392	\$ 22,940,248	\$ 11,670,957	\$ 3,086,230	\$ 131,448,827
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
2010	74,210,060	18,434,325	18,193,396	2,098,318	112,936,099

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
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
2010	14,544	6,180 89,886,838	1,397 20,315,979	20 293,094	25 359,603	56 809,510	461 6,701,169	11 153,375	8,149 118,519,568

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
Installment Purchase Agreements with Future Minimum Payments

The Board is authorized to finance the purchase of school buses under General Statute 115C-528(a). Session law 203-284, section 7.25 authorized the NC State Board of Education to allot funds for the payments on financing contracts entered into pursuant to G.S. 115C-528. The current accepted bid is to purchase Thomas Built buses through a special third party financing agreement by Mercedes Benz Financial Services at total payments less the purchase price. The financing agreement is established between Mercedes Benz Financial Services and the Board. The agreement term is for three years and represents a long-term liability that is reflected in the financial statements of the Board. Past purchases and future minimum payments of all installment purchases as of June 30, 2019 are as follows:

				Initial Contract Year						Total Outstanding as of June 30, 2019
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>	
Total buses purchased	8	15	12	7	14	-	5	-	-	
Total purchase price	\$ 745,413	\$ 1,311,595	\$ 1,725,910	\$ 580,589	\$ 1,159,060	\$ -	\$ 419,543	\$ -	\$ -	
Payment due	186,353	327,899	431,478	145,147	289,765	-	209,772	-	-	
 Total payments FY 2022	\$ 186,353									\$ 186,353
Total payments FY 2021	186,353	327,898								514,251
Total payments FY 2020	186,353	327,899	257,242							771,494
Total payments FY 2019	186,353	327,899	431,478	42,555						-
Total payments FY 2018		327,899	431,478	145,147	163,986					-
Total payments FY 2017			605,712	145,147	289,765					-
Total payments FY 2016				227,219	289,765					-
Total payments FY 2015					415,544		104,885			-
Total payments FY 2014							104,886			-
Total payments FY 2013										-
Total payments FY 2012										-
Total payments FY 2011										-
	<u>\$ 745,412</u>	<u>\$ 1,311,595</u>	<u>\$ 1,725,910</u>	<u>\$ 560,068</u>	<u>\$ 1,159,060</u>	<u>\$ -</u>	<u>\$ 209,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,285,745</u>

Source: Craven County Schools Finance Office

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)					
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
2010	3,845,443,208	1,504,956,646	43,707,956	65,391,567	1,413,620,078	104,636,993	6,977,756,448	0.6100	10,464,541,764

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, 2020 and thereafter every four years.

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									
	2019	2018	2017 (1)	2016	2015	2014	2013	2012	2011	2010
Craven County	\$.5394	\$.5394	\$.5394	\$.4675	\$.4675	\$.4675	\$.4700	\$.4728	\$.4728	\$.6100
<u>Municipality Rates:</u>										
Bridgeton	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000
Cove City	.2700	.2678	.2678	.2500	.1500	.1500	.1500	.1500	.1500	.1500
Dover	.3500	.3500	.3500	.3000	.3000	.3000	.3000	.3000	.3000	.3000
Havelock	.5900	.5900	.5900	.5100	.4850	.4650	.4650	.4650	.4650	.5300
New Bern	.4600	.4600	.4600	.4100	.4100	.4100	.4100	.4100	.4100	.5050
River Bend	.2400	.2900	.3105	.2650	.2650	.2650	.2650	.2650	.2650	.2800
Trent Woods	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1900	.1900	.2700
Vanceboro	.5300	.5300	.5300	.4600	.4600	.4600	.4600	.4600	.4600	.4800
<u>Fire Districts:</u>										
Rhems	.0400	.0457	.0457	.0389	.0389	.0389	.0414	.0314	.0314	.0475
Township #1	.0269	.0269	.0269	.0250	.0250	.0250	.0250	.0250	.0250	.0263
Tri Community	.0555	.0555	.0658	.0527	.0377	.0277	.0277	.0277	.0277	.0350
Little Swift Creek	.0700	.0700	.0700	.0549	.0549	.0549	.0549	.0549	.0499	.0590
Township #3	.0861	.0861	.0861	.0774	.0624	.0624	.0624	.0624	.0624	.0781
Township #5	.0653	.0653	.0653	.0553	.0453	.0453	.0453	.0453	.0453	.0620
Township #6	.0500	.0586	.0586	.0520	.0480	.0480	.0516	.0516	.0516	.0600
Township #7	.0250	.0272	.0216	.0190	.0177	.0177	.0177	.0177	.0177	.0240
West New Bern	.0391	.0457	.0391	.0349	.0324	.0324	.0324	.0324	.0324	.0422
Township #9	.0746	.0746	.0746	.0682	.0682	.0582	.0582	.0582	.0582	.0713
Sandy Point	.0672	.0672	.0672	.0527	.0377	.0352	.0352	.0352	.0352	.0567

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 2019			Fiscal Year 2010		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Paper Company	Wood pulp manufacturer	\$ 190,401,261	1	2.00%			
BSH Home Appliances Corp	Home appliance manufacturer	144,743,067	2	1.52%	108,012,327	2	1.55%
Duke Energy Progress Inc.	Electric utility	66,345,632	3	0.70%	33,305,250	5	0.48%
Weyerhaeuser Company	Real estate investment trust	60,469,820	4	0.63%	52,624,800	3	0.75%
Atlantic Marine Corps Communities, LLC	Real estate development	28,629,464	5	0.30%	27,728,329	6	0.40%
Wal-Mart Real Estate Business Trust	Real estate development	26,542,720	6	0.28%			
New Bern Apartments LLC	Real estate development	24,638,902	7	0.26%			
Moen Incorporated	Faucet manufacturer	20,198,064	8	0.21%			
Weyerhaeuser NR Company	Wood pulp manufacturer	19,870,061	9	0.21%	148,438,910	1	2.13%
Craven Wood Energy LTD	Electricity manufacturer	21,205,310	10	0.22%	16,034,636	10	0.23%
Carolina Telephone & Telegraph Co.	Communications utility				34,481,642	4	0.49%
Hatteras Yachts	Yacht builder				24,208,008	7	0.35%
Blakemore 300 Executive Parkway LLC & Kaplan 300 Executive Parkway LLC	Real estate development				21,069,770	8	0.30%
New Bern Riverfront Development LLC	Real estate development				20,722,840	9	0.30%
Totals		<u>\$ 603,044,301</u>		<u>6.32%</u>	<u>\$ 486,626,512</u>		<u>6.98%</u>

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 (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2019	\$ 51,207,256	\$ 357,778	\$ 51,565,034	\$ 51,213,187	99.32%	*	\$ 51,213,187	99.32%
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	182,950	50,196,600	99.71%
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	166,461	49,450,566	99.81%
2016	46,661,088	287,113	46,948,201	46,591,996	99.24%	265,595	46,878,511	99.85%
2015	46,074,580	354,529	46,429,109	46,059,154	99.20%	301,587	46,372,475	99.88%
2014	46,405,671	423,380	46,829,051	46,266,555	98.80%	442,719	46,719,614	99.77%
2013	45,937,323	(101,107)	45,836,216	44,932,857	98.03%	750,835	45,699,895	99.70%
2012	45,700,284	(204,780)	45,495,504	44,547,702	97.92%	819,611	45,375,807	99.74%
2011	46,445,227	(682,187)	45,763,040	44,809,274	97.92%	858,862	45,674,619	99.81%
2010	41,740,602	864,039	42,604,641	41,745,625	97.98%	765,263	42,516,173	99.79%

* 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 Obligation Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Installment Loans			
2019	\$ 8,614,265	\$ 24,654,450	\$ -	\$ -	\$ 15,041,781	\$48,310,496	\$ 466	*
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%
2010	32,706,707	56,070,408	-	195,000	1,260,861	90,232,976	864	2.40%

* 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 2018 personal income is not available to calculate fiscal year 2019.

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			
2019	\$ 8,614,265	\$ 1,210,957	\$ 7,403,308	*	4.00%	71
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
2010	32,901,707	2,773,461	30,128,246	0.80%	0.29%	289

* 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 2018 personal income is not available to calculate fiscal year 2019.
- (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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Value of Property	\$ 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	\$ 6,977,756
Debt Limit, 8% of Assessed Value (Statutory Limitation)	763,246	745,677	736,417	801,898	792,332	800,455	779,044	769,023	766,570	558,220
Amount of Debt Applicable to Limit										
Gross debt	48,310	56,066	64,056	70,590	66,919	72,090	78,213	78,785	85,351	90,233
Less: Amount available for repayment of bonds	7,403	1,211	156	449	647	1,105	377	745	1,791	2,773
Debt outstanding for water and sewer purposes	15,042	15,931	16,820	16,280	5,606	3,761	2,866	1,136	1,293	1,456
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	<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>	<u>86,004</u>
Legal Debt Margin	<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>	<u>\$ 472,216</u>
Total net debt applicable to the limit as a percentage	3.39%	5.22%	6.39%	6.72%	7.66%	8.40%	9.62%	10.00%	10.73%	15.41%

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	
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
2010	25	24	213	219	416	412	2,195	2,286	4,040	3,927	319	338	14,414

* Information not available.

Source: FY 2009-2018 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>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>	<u>2010</u>
Grade										
07	*	1	-	-	-	0	0	0	1	3
08	*	3	1	2	-	1	1	2	0	2
09	*	27	21	25	36	34	34	32	59	71
10	*	33	35	30	30	33	33	34	45	46
11	*	18	31	28	30	19	19	24	30	28
12	*	18	21	15	15	9	9	14	18	29
TOTAL	*	100	109	100	111	96	96	106	153	179

Includes: ALL RACES ALL AGES
 BOTH GENDERS ALL REASONS

	FY 2018-2019*							FY 2017-2018							FY 2016-2017								
	Grade							Grade							Grade								
	07	08	09	10	11	12	Total	07	08	09	10	11	12	Total	05	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	-	-	2	-	-	-	-	2	-	1	3	
Psychological or emotional	-	-	-	-	-	-	-	-	-	1	1	-	1	3	-	-	-	1	1	-	-	2	
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	1	-	3	-	-	-	-	1	1	-	2	
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	-	1	3	-	1	-	1	-	-	1	3	
	-	-	-	-	-	-	-	-	1	3	27	33	18	18	100	2	1	3	26	33	18	18	101

* Information not available.

Source: NC Public Schools FY 2010 - FY 2018
 FY 2010 - FY 2018 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														
	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						
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						
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
2010	20	5	15	16	4	0	56	19	37	39	17	0	952	187	765	825	105	22	103	11	92	92	9	2	269	15	254	181	84	4	282	91	191	193	80	9	1,682	328	1,354	1,346	299	37

Source: FY 2020 - 2019 Craven County Board of Education Human Resource Department
FY 2010 - 2019 North Carolina Public Schools Statistical Profile

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>
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
2010	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)
2019	103,800	*	*	14,120	4.73%	8,942
2018	103,569	4,345,888	42,367	14,120	4.73%	8,941
2017	103,557	4,340,800	41,962	14,002	5.26%	9,688
2016	103,272	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
2010	104,416	3,761,100	36,901	14,513	10.50%	7,262

* 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	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,164	1	13.22%	5,365	1	13.44%
CarolinaEast Health Systems	2,342	2	6.00%	1,900	3	4.76%
Craven County Schools	1,714	3	4.39%	1,917	2	4.80%
BSH Home Appliances	1,200	4	3.07%	950	4	2.38%
Moen Incorporated	820	5	2.10%	650	6	1.63%
State of North Carolina	781	6	2.00%	877	5	2.20%
Wal-Mart	643	7	1.65%	500	9	1.25%
Craven County	669	8	1.71%	635	7	1.59%
Craven Community College	547	9	1.40%	475	10	1.19%
City of New Bern	431	10	1.10%	500	8	1.25%
	<u>14,311</u>		<u>36.64%</u>	<u>13,769</u>		<u>34.49%</u>

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

Notes: (1) Excludes 9,033 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	80	78	78	77	78	80	77	72	75	79
Public safety	184	164	162	157	154	158	142	141	148	148
Social services	215	207	204	195	188	197	191	208	213	213
Economic and physical development	21	20	23	23	20	21	22	18	23	21
Environmental protection	32	30	28	29	31	30	29	30	32	30
Health	105	98	99	93	90	97	102	104	106	117
Cultural and recreation	14	9	13	13	14	11	11	12	16	16
Water/sewer (business activity)	18	18	15	14	13	13	13	12	13	11
Total	<u>669</u>	<u>624</u>	<u>622</u>	<u>601</u>	<u>588</u>	<u>607</u>	<u>587</u>	<u>597</u>	<u>626</u>	<u>635</u>

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⁾
2019	13,329	0.00%	\$ 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	0.00%	122,196,359	8,816	na	25	7,741	8,457	2,521,153
2016	14,004	0.00%	120,651,837	8,616	na	25	7,775	8,455	1,756,186
2015	13,857	0.00%	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
2010	14,544	-0.18%	118,519,568	8,149	97th	24	7,884	7,667	1,539,732

Source:

- 1 FY 2010 - 2019 Craven County Board of Education Transportation Department
FY 2010 - 2019 NCDPI Statistical Profile
- 2 Craven County Board of Education Child Nutrition Department
- 3 FY 2010-2019 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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	*	9,483	9,823	9,453	9,457	8,587	9,294	9,216	9,629	8,399
Average daily population in jail (B)	*	287	275	276	261	277	259	302	236	186
<u>Health Services (C)</u>										
Food and lodging inspections	*	1,190	1,374	1,299	1,312	1,322	1,354	1,364	1,280	1,013
Visits to health department	*	27,262	29,298	30,014	30,576	28,774	27,268	27,085	26,372	28,422
<u>Transportation Services (D)</u>										
Number of miles driven (1)	*	594,277	599,621	673,929	708,841	772,009	794,110	857,716	810,130	783,197
Number of trips provided (1)	*	64,167	69,359	74,346	86,927	91,554	105,965	108,026	106,118	101,664
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	*	4,484	4,567	4,136	3,970	3,953	3,449	2,728	2,770	2,795
Number of real estate parcels	*	57,571	57,438	57,354	57,097	56,898	56,774	56,505	56,358	56,112
Number of tax bills generated	*	67,425	67,398	67,034	65,112	114,148	150,381	149,366	148,943	151,915
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2) (F)	*	142.00	137.00	131.00	127.00	121.00	119.00	116.00	108.00	95.99
Economic impact of convention center (2) (G)	*	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	9.19
Number of registered voters (H)	*	68,827	66,615	69,459	66,478	69,455	68,770	68,318	67,073	66,624
Number of enplanements at airport (I)	*	116,647	111,962	111,909	114,373	128,157	129,529	134,631	132,035	134,863
Number of service connections (J)	*	14,678	14,064	13,693	13,495	13,459	13,378	13,199	13,027	13,091

* 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, 2019

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Public Safety (A)</u>										
Correction facility rated capacities	*	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
Boat ramps operated	*	0	0	0	2	2	2	2	2	2
<u>Water Service (C)</u>										
Miles of water main	*	668	668	668	668	668	668	668	668	667
Number of elevated water tanks (1)	*	9	9	9	9	9	9	9	9	9
Number of system wells	*	10	10	10	10	10	10	10	10	10
Water Treatment Plant	*	1	0	0	0	0	0	0	0	0
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	*	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
Number of remaining acres in Industrial Park (E)	*	161	161	161	183	213	213	219	219	220
<u>Airport (F)</u>										
Number of runways	*	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, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated November 15, 2019.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, which we consider to be a significant deficiency

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

Response to Findings

The Board's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

Dixon Hughes Goodman LLP

Winston-Salem, North Carolina
November 15, 2019

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, 2019. 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 of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 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, 2019.

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

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

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
November 15, 2019**

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, 2019. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, 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 of the Board's compliance.

Opinion on Each Major State Program

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

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 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 applicable sections of 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Dixon Hughes Goodman LLP

**Winston-Salem, North Carolina
November 15, 2019**

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 ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses ☒ yes ☐ none reported

Noncompliance material to financial statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses ☐ yes ☒ 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 ☒ no

Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

State Awards

Internal control over major state programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified that are not considered to be material weaknesses ☐ yes ☒ 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 ☒ no

Identification of major state programs:

Program Name

N. C. Department of Public Instruction:
State Public School Fund
State Disaster Recovery

2. Financial Statement Findings

Finding 2019-001

Expenditures in excess of budget for Other Local Current Expense Fund

SIGNIFICANT DEFICIENCY

Criteria: General statutes state that all monies received and expended by a local government or public authority should be included in the budget ordinance.

Condition: For the Other Local Current Expense Fund, the Board expended \$41,101 more for Ancillary Services than appropriated in the annual budget ordinance.

Effect: Monies were spent that had not been appropriated.

Cause: The Board received and expended appropriations that had not been budgeted for in the budget ordinance and a budget amendment was not adopted.

Recommendation: Budget amendments should be adopted when it is known that funds are going to be expended in a different budgetary control level than what was originally adopted prior to expending the funds.

Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to Schedule 11 for the Corrective Action Plan.

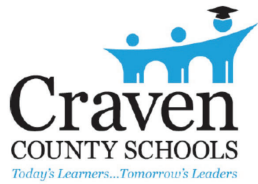
3. Federal Award Findings and Questioned Costs

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.

There were no findings or questioned costs related to our audit of federal and state awards for the fiscal year ended June 30, 2018.



Board of Education

David E. Hale, *Chairman* • Frances H. Boomer, *Vice Chairman*

Naomi E. Clark • Carrol G. Ipock, II • Stefanie King • Beatrice R. Smith • Kimberly R. Smith

Meghan S. Doyle, EdD, *Superintendent*

Board of Education of Craven County Schools Corrective Action Plan For the Fiscal Year Ended June 30, 2019

Schedule 11

Finding 2019-001

SIGNIFICANT DEFICIENCY

Name of contact person: Denise Altman, Finance Officer

Corrective action: Budget Amendments will continue to be done on a monthly basis as has been our practice in the past to keep our budget updated for any changes in funding. In order to prevent an oversight for specific grants or program funds within the Fund 8 budget, we will update our Finance Office checklists for both the Accountant position and the Finance Officer position. The Accountant's checklist will now include each individual PRC (Program Code) as a check off point for the month to ensure that each budget is viewed and in balance per the general ledger reports at the end of each month. This will ensure that if a budget amendment is required, the Accountant has reviewed each program budget each month for any changes in funding amounts. The Finance Officers checklist will be updated to include a check point related to a monthly check of the Purpose Level totals for each Fund (State, Federal, Local, Capital and Other Restricted Funds.) This will ensure that all the purpose level codes are in balance in all areas of the budget each month. The addition of these two additional check points each month will ensure that we do not have any accounts that result in this type of deficiency in the future.

Proposed completion date: The additional check points will be added to our working checklist by November 4, 2019. The completion of the checkpoints each month will be at the end of each month as the checklist will reflect a signoff once the review has been completed for each respective month. The culmination of these efforts will be evidenced at next fiscal year end, June 30, 2020.

Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2019

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<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	\$ 465,409
Cash Assistance			
Passed-through the N.C. Department of Public Instruction			
School Breakfast Program	10.553	PRC 035	1,276,220
National School Lunch Program	10.555	PRC 035	3,836,240
Summer Food Service Program for Children	10.559	PRC 050	86,610
Total Cash Assistance			5,199,070
Total Child Nutrition Cluster			5,664,479
Fresh Fruit and Vegetable Program	10.582	PRC 035	32,350
Total School Nutrition Program (Note 3)			5,696,829
Total U.S. Department of Agriculture			5,696,829
<u>U.S. Department of Education</u>			
Cash Assistance			
Direct Programs			
Impact Aid (School Assistance in Federally Affected Areas)	84.041		1,504,551
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	4,386,127
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	PRC 060	3,385,486
Special Needs Targeted Assistance	84.027	PRC 118	15,985
Special Education - Preschool Grants (IDEA Preschool) -			
Risk Pool Program	84.173	PRC 114	170,222
Preschool Targeted Assistance	84.173	PRC 119	31,049
Preschool Handicapped	84.173	PRC 049	110,177
Total Special Education Cluster			3,712,919
Career and Technical Education - Capacity Building Grant	84.048	PRC 017	223,477
English Language Acquisition Grant	84.365	PRC 104	62,709
Supporting Effective Instruction State Grants	84.367	PRC 103	535,028
Student Support and Academic Enrichment Program	84.424	PRC 108	165,168
State Personnel Development	84.323	PRC 082	10,658
Total U.S. Department of Education			10,600,637
<u>U.S. Department of Defense</u>			
Direct Programs:			
Promoting K-12 Student Achievement at Military-			
Connected Schools	12.556		580,927
Assistance to LEA's (PL 102-484)	NONE	PRC 345	146,732
ROTC	NONE	PRC 301	257,591
Total U.S. Department of Defense			985,250

Board of Education of Craven County Schools
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<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	51,593
Total Federal Assistance			17,334,309
State Grants:			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund			\$ 79,381,714
Driver Training - SPSF		PRC 012	205,872
School Technology Fund - SPSF		PRC 015	430,159
Career and Technical Education			
- State Months of Employment		PRC 013	4,203,863
- Program Support Funds		PRC 014	211,052
State Disaster Recovery			6,133,418
Total N.C. Department of Public Instruction			90,566,078
<u>N.C. Department of Agriculture</u>			
State Kindergarten Breakfast Funds			7,417
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
NC Pre-Kindergarten Program			1,308,369
Smart Start			281,215
Total N.C. Department of Health and Human Services			1,589,584
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
School Buses Appropriation		PRC 120	1,002,609
Textbooks		PRC 130, 131	495,369
Total State Assistance			93,661,057
Total Federal and State Assistance			\$ 110,995,366

**Board of Education of Craven County Schools
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For the Fiscal Year Ended June 30, 2019**

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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, 2019. 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, school buses, and textbooks. Non-cash items with a fair value of \$1,963,387 were received during the year ended June 30, 2019. These non-cash items received were included in the determination of federal and State awards expended for the year ended June 30, 2019.